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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Mrs. MORELLA].

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. MCCOLLUM] for 5 minutes.

MEANINGLESS PRESIDENTIAL RESPONSE TO SHOT DOWN AMERICAN PLANES

Mr. MCCOLLUM. Madam Speaker, today I rise in memory of the four American civilians murdered by Fidel Castro over the weekend, and to condemn the foreign policies of an administration that has placed U.S. national interests in jeopardy around the globe. I remember a day when killing American citizens had consequences. The murder of an American serviceman by Manuel Noriega's regime pulled the trigger on Operation Just Cause, which ousted him from power. The death of an off-duty soldier from a terrorist's bomb in West Germany in 1986 prompted President Reagan to attack Libya and effectively remove Mu'ammar Qadhafi as a threat to U.S. interests. Once, violent attacks deserved and provoked strong responses from the United States.

But things are different now. Misguided foreign policy decisions by President Bill Clinton over the past 3 years have jeopardized America's image as a nation that protects its own. When 18 of America's best soldiers were killed in Somalia after they had been denied the hardware to protect themselves, President Clinton cut and ran. Now, four more Americans have been killed on the President's watch, and his response? Little more than the withdrawal of a few poorly chosen carrots he dangled endlessly and uselessly in front of Fidel Castro 6 months ago. And that is not all of it. When I look at all of the other foreign policy areas the President has been involved with in the past 3 years, I see problems. In Haiti, we sent our soldiers in there for a purpose that clearly was one that was very difficult to accomplish, if it could even be accomplished in the end. Yes, there is a democratically elected government there now, but in a few days we are going to remove those troops. My experience as chairman of the Subcommittee on Crime and talking to the FBI about their experience there for 7 months last year when they tried to help solve some political murders was that human rights violations are still rampant, and when they got to the highest level of the Haitian Government to interview the witnesses, they were not allowed to, and had to pull our FBI out and they still go unsolved. The problems in Haiti have not gone away.

And yet we look next door in Cuba and we see we have not done anything really about the Castro regime that has been in power for over 35 years where it really could make a difference. Looking around the world, we look at China today. China is on the verge of being able in the next few years to produce an atomic bomb and a delivery system capable of delivering that bomb to the West Coast of the United States. We look at Russia. In Russia today we have a situation where it is very unstable. This summer, we do not know what is going to happen to the Yeltsin regime, yet we do know that we have not one single nuclear missile that has been dismantled yet in Russia or in the former Soviet Union. Who knows what their capabilities are and who is going to be controlling the button on nuclear weapons in the future there. And the spread of these nuclear weapons by China and North Korea to Iran, Pakistan, and elsewhere make it highly probable in the next few years we are going to see, if not a delivery of one of those weapons to the United States, certainly the delivery of one of those weapons to a nation or to an interest area of great importance to the United States, and President Clinton does not have an answer to that. He refuses to support a ballistic missile defense system that is workable. He should have supported one a long time ago. It is a very serious consequence when we see all of these developments occurring and no plans to provide the Nation the kind of defense it needs.

Then we look at Bosnia. I think that is the worst situation of all, not just because we have sent troops into Bosnia, where we have no real probability of ultimate success. When they are removed a year or so from now, the chances of civil war resuming are great. But we are doing the stupidest thing. We are in the process now of training, equipping the forces of the government of Izetbegovic, the Moslem leader of Bosnia. And who does he happen to have as his best friend? Why, my goodness, it is Rafsanjani and the crew in Iran. The Iranians are clearly the ones who want to produce the most terror in the world today. They are determined to spread their radical form of Moslem concern, not the traditional form but the radical form, all over southern Europe, over northern Africa, over the Middle East, the Near East, and anywhere else they can lay their imprint where there is a Moslem country.

Izetbegovic is a close ally of Iran; he has been ever since the days of the

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Ayatolla Khomeini. We are now in the process of training, equipping his forces, so when we pull out of there in a few months they are going to be the strongest military presence in the former State of Yugoslavia.

I think that is absolutely senseless. It is stupid. It is bad foreign policy, and this President has led us into that path. And then when we have four American civilians shot down in Cuba, as we did over the weekend, our response is simply the tepid business that we have seen the President announce in the last 24 hours. He has not yet taken a single step that would show the kind of deterrent message that we need to have if we are going to protect our interest abroad. What message does this pattern of behavior send to other nations considering a confrontation with the United States? When strained credibility finally collapses, deterrents for the protection of our interest has not a prayer. Right now China calculates military action against Taiwan. Rafsanjani and Iran are considering terrorist attacks, and look what we have got with Fidel Castro. I submit we have a failed foreign policy, and this weekend the President's response to it is an example of why that foreign policy has failed.

THE FARM BILL

The SPEAKER pro tempore (Mr. SHAYS). Under the Speaker's announced policy of May 12, 1995, the gentleman from Missouri [Mr. VOLKMER] is recognized during morning business for 5 minutes.

Mr. VOLKMER. Mr. Speaker, I did not come here to talk about this. I listened to the gentleman from Florida, and we have a couple more from Florida maybe going to speak on the same issue, and I hear the criticism of the President on the Cuban situation, yet I do not hear them say one thing of what they would do different than what the President has done, not one. The gentleman from Florida did not mention one thing. I am just waiting to hear what the rest of them have to say. I wonder how many of them want to send troops into Cuba. Should they, should they not? They are from Florida, let them say.

What I really came here to talk about is the autocratic running of this House of Representatives. This is not a democracy in this House any longer. When I say ''democracy,'' I mean a small ''D.'' At times back in my 20 years or 19 years before this, we had farm bills come to this House and every one of them, in 1977, 1981, 1985, in 1990, every one of them had an open rule. All amendments that were germane and had been printed in the RECORD before we took up the bill were eligible to be debated and voted upon. Now, what is the Committee on Rules of this autocratic leadership under his excellency, the Speaker GINGRICH, going to do this afternoon with the rule on this year's farm bill? Should be 1995; it is 1996. They are already late. They are going to restrict the amendments.

There have been 74 amendments noticed to the Committee on Rules. I dare say not more than five or six or seven of those will be made in order by this Committee on Rules. What happened to the openness? What happened to Representatives, like myself and others, who have been elected from rural areas, having a right to get on this floor of this House and offer germane amendments to a farm bill that is going to affect our farmers for the next 7 years? What happened to it? Well, all is gone down the drain under this new leadership. They are told, they are telling us, you take what we are going to offer you or leave it; that is all there is to it.

I, as a representative of my people, do not have a voice any longer in this House when we deliberate legislation that affects them. I think that is terrible. I think the American public should wake up to what is going on in this hallowed Hall of democracy, the one that stands firm above all others in this world for democracy. You do not have democracy in this House. It is gone.

We have an autocratic society led by Speaker GINGRICH. He only believes that he knows the answers and his people know the answers. The rest of us, we are just pawns. I do not know why many of his people even got elected to come here because they just follow his line right down the row, right down the rule. When he tells them to vote that way, that is what they do. They cannot think for themselves, they cannot do for themselves. Well, I, for one, believe that my people sent me here to represent them and to espouse ideas on this floor of the House when legislation comes about that affects them.

I do not believe that I should be gagged by the Speaker of the House, which is going to happen this year on this year's farm bill. And what is really amazing about this whole thing is they are going to tell you, the American public, and the rest of this House that we have to hurry up and get this bill done. Well, folks, we have not been here all month. We have not been here all month. We could have done a farm bill last week. We could have spent a whole week on it, let every Member who has amendments the opportunity to offer it, to debate it and have a vote on it.

Oh, no, we cannot do that. We have to go about campaigning. We have to go about trips to Europe. We have to go about trips to far off lands. We have to do all those things. We cannot work on a farm bill. Well, the real reason is that they do not want some Members to be able to offer their amendments. That is the real reason. They do not want us to be able to offer amendments on the floor. They say their answer to the farm problems, agriculture throughout this Nation, is embodied in their bill. None of the rest of us should have a right to have any say-so in how that legislation affects our farmers.

Now, if that is not an autocratic society, I would like to know what is. Well, maybe it is more like a dictatorship. Maybe that would be more appropriate than an autocratic society, under a dictatorship where Members do not have an opportunity to express their opinion.

DEADLY MISADVENTURE

The SPEAKER pro tempore (Mr. SHAYS). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. GOSS] is recognized during morning business for 5 minutes.

Mr. GOSS. Mr. Speaker, Fidel Castro has done it again. He's caused tragedy and pain and suffering in pursuit of brutal repression. Castro's actions this weekend coupled with Clinton administration foreign policy ineptness present the world with another misadventure in the Caribbean, resulting in the apparent death of four innocent human beings and the human rights violations and arrest of dozens of others. Why? Because Fidel Castro is a brutal tyrant and because the Clinton administration has spent its efforts in Cuba on developing ways to appease Fidel Castro and to ease restrictions on the flow of money and people into the country he holds captive. All the while, the President's foreign policy ''B'' team has studiously ignored Fidel Castro's track record as a liar and a bullying tyrant and an egregious violator of human rights of people he is supposed to serve, not torment.

Those who closely follow Cuba and have unbiased knowledge of Cuban affairs were deeply saddened, but I guess not really surprised, to hear about the tragic murder of Brothers to the Rescue this past weekend. Murder is something Castro does. It is a tool of this dictator's trade. My thoughts went back to the *13th of March* tugboat and a long series of similar incidents where innocents were deliberately killed. Added to this is that fact that even as Fidel's jets were scrambling, the crackdown on Cuban dissidents and prodemocracy groups on the ground in Cuba was being stepped up. I hope that this weekend's events will be the wake-up call the Clinton White House has clearly needed on this issue. The announcement that the White House will support legislation to strengthen the embargo is good news, as long as it follows through on that pledge. Rather than cozying up to this long-time self-avowed enemy of the United States, the administration should step up the pressure on his regime. After all, only last year the Clinton White House leveled a devastating and effective blockade embargo against the poorest people in our hemisphere—against the friendly neighboring country of Haiti. After that, I would think stepping up the embargo on Castro's Cuba would be easily justified. Part of doing that will mean

demanding quid pro quo from our allies—and aid recipients—in this hemisphere.

Take Mexico, as an example. If we are going to bail them out, then we expect them to join us in squeezing Fidel Castro out of Havana. The same applies for our European allies, who have benefited greatly from American support against the tide of aggression in Europe. Even now, these allies are keeping Fidel Castro's corrupt regime—a mere 90 miles from our shores—afloat with trade and tourism. In this context, it is scandalous to think that the United States went out of its way to support a new Spanish pro-Castro leader for NATO.

Mr. Speaker, I hope the administration will finally take off the rose-colored glasses and take a close look at the man they have chosen to extend a helping hand to. Ultimately, I think any meaningful examination will produce an understanding that Fidel Castro isn't a man to trust or to bargain with. That reality should be the basis of any United States policy in Cuba.

Mr. Speaker, the gentleman from Missouri asked me what I would recommend as a Member from Florida. I would recommend getting serious with the embargo. I would recommend that we remember that Fidel Castro is the problem, and, if you do not know that, you should not be dealing in Cuban foreign policy matters.

SOUL WILL LEAD US INTO THE 21ST CENTURY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I have always felt very strongly that if someone showed me their leader they had shown me a part of their soul. I think that is true of nations. When they show you their leader, they have shown you their soul, if that leader has been democratically designated, with a small D, obviously.

But knowing that, I have been very troubled watching what has been going on in this Presidential primary. If what I am saying is true, then what kind of a soul have we got in the United States and in this great Nation, this great Nation built on the premise that we may have all come here in different boats but now we are in the same boat and we bloody well better figure out how we work together. Is that over? Is that day gone? Are we going to try and emulate Bosnia?

On the one hand, I get very serious and very concerned about this. On the other hand, I must say as a Democrat, with a large D, I enjoy it. I kind of decided, now show me your shirt and I know who you are backing. If you wear a flannel shirt, we know who you are backing. You are obviously backing Mr. Alexander. If you wear a silk or custom-made shirt, you are obviously backing the gentleman from New York, Mr. Forbes. If you come in with a stuffed shirt, you are probably backing the majority leader. And if you come in with a brown shirt, I think we know who you are backing, too.

So it has become kind of the shirt war. We can watch these shirts, and we can kind of tell whose side they are on. As I say, if it were not our Government, it could be really funny. There are some days when I think our President is the luckiest guy in the world. How could he do better than have this all surface in the primary? There are other days when I absolutely panic and say, but wait a minute, wait a minute. This could come to fruition.

Over this break I had the great, great honor of addressing a pluralism conference in Belfast. I always wear my grandmother's wedding ring. My grandmother was married in Derry, Ireland. And as you know, Ireland has been cursed by a resurgence of the troubles, as they say euphemistically. And there we were with the University of Ulster and the Dublin City University cohosting this era of pluralism, trying to bring back the peace, thousands of people in the streets trying to bring back the peace, trying to recapture the momentum, to put this to an end.

Of course my colleagues can imagine, I was absolutely barraged by questions. What in the world is going on in your country? You want to stand there on solid ground and say, you know, we have gone through lots of pain, we have got all sorts of scars from trying to be a pluralistic nation, but, my goodness, we have got all sorts of benefits, too. And basically the bottom line is we know we cannot go around pitting one group against another group.

Yet, they are watching that happen in their newspaper, and they are all scratching their heads saying, wake up, America, what is the matter? First thing you know, you are going to transfer the troubles right back over to your country.

So I think it is a time that all of us have to realize we have been treating politics like consumers, that what really happened in 1994 is that many people did not vote at all. They felt, well, if I do not like them, if they are not 100 percent correct, then I am not going to encourage them. That may work for being a consumer, but it does not work in civics. If you do not vote for somebody because they are not perfect and, heaven forbid, none of us are, then you are still going to have to live under whoever does win.

So you may vote for your imperfect friend and end up with someone who takes the country right off the cliff or in the absolute wrong direction.

So I am hoping all of us start making these distinctions between consumerism and civics, we start getting a little more serious and stop looking just at their shirts and look at their souls. It is their soul that will be governing this country for the next 4 years, if any of them find themselves in that White House. It is their soul that is going to reflect upon us and on our future and lead this great country into the 21st century.

As we end this century, which was known as the American century, I get goose bumps thinking about it. What will the 21st century be known as? Will we no longer be a player? Will we all be pitted in fighting against each other? I certainly hope not. But I think those are the very, very serious thoughts all Americans must engage in as we watch this Presidential primary continue to unfold.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would inform our guests in the gallery that public displays of approval or disapproval are not permitted.

CREDIT CARD USE BY FEDERAL EMPLOYEES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. GEKAS] is recognized during morning business for 5 minutes.

Mr. GEKAS. Mr. Speaker, as everyone in the world knows, the Congress of the United States has been living on a credit card for many, many years now, decades. As a result, we have a huge national debt, and annual deficits that impinge upon the standard of living of every American. Well, now there comes to light that part of the credit card problem is in the Government itself.

Starting sometime in 1993 or 1994, apparently Federal agencies have been allowed to issue credit cards to employees who have to do travel and other work for that particular agency. We have learned through a report by the inspector general in the U.S. Department of Commerce that these credit cards have been used not just for travel for governmental purposes but also for jewelry, for liquor, for online computer services, for a variety of things never contemplated for Federal employees to use, to be used in obtaining.

What does this mean? It means that we have a credit card system in play that is being abused and is costing taxpayers money. We did not make this up. This came from an investigation of the inspector general. We have learned that some 500 of these accounts, credit card accounts, had been used for these extraneous purposes, to get extra cash at an ATM facility, to purchase jewelry and liquor. Was that contemplated by the taxpayers of the United States, to give carte blanche, a credit card to Federal employees to spend as they wish?

Some would defend the system and say, well, we have a credit card system, that means faster service and less costly ticket buying, et cetera. But is it worth it when we have all these other abuses that we are discussing?

Here is what the executive summary says from this audit report:

Numerous employees have misused the government travel charge card. Such abuses included excessive unpaid charges, use of the card for personal purchases''—which I have just mentioned—''and questionable automatic teller machine advances. A primary reason for the abuse is a lack of management and oversight by agencies.

That is the key phrase that has prompted action on the part of some of us to try to end this drain on taxpayers' resources at a time when we are crying for tightening up the budget and making sure that we do not overspend or abuse the taxpayers' moneys in so many questionable ways.

The other portion of the report that is astounding to me is that when some of this was brought to the attention of the agencies, like in the Office of the Secretary of Commerce, the coordinator, I quote: ''The coordinator in the Office of the Secretary gave us oral explanations for some of the questionable accounts but told us that because of other pressing duties, she did not have sufficient time to provide written explanations.''—meaning that nothing was effectively accomplished to curb these abuses, buying jewelry on credit cards?

How does that help the Secretary of Commerce's jurisdiction exercise its duties? How does that help the taxpayers back in the homelands who are working hard every day to do their job and try to pay their taxes so that the Government can keep on buying jewelry with credit cards? This kind of explanation, if they do not have time to provide written explanations, has got to come forth in a series of hearings which we plan to hold on this very same subject.

One other thing that is pertinent here that should be known, also coming directly from the inspector general's report, is that the blame for all of this goes on how these credit cards were issued, to whom they were issued, what instructions were given, what controls were put in, what arrangements were made with the credit card company to make sure that jewelry and online computer services and liquor could not be purchased on the retail level, those facets of control were never put into place.

So what will these hearings have? I plan to hold one hearing or more if necessary in my Subcommittee on Commercial and Administrative Law to determine how they were issued, what controls were put on. I have introduced a bill, to start off with, to abolish the use of credit cards by Federal employees. We are going to start from there if we are successful and work back to see if any credit cards can be properly used.

THE DEBT CEILING AND WELFARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. LEVIN] is recognized during morning business for 5 minutes.

Mr. LEVIN. Mr. Speaker, I want this afternoon to talk about two issues that are related. The first one is whether the Republicans are going to try to use the debt ceiling as leverage instead of passing a clean debt ceiling bill. I read this morning there were two different sets of advices coming from within the majority ranks. One was use it as leverage for what is called a change in entitlement programs. The second that came from our colleague from New Jersey, who said, ''It is playing with fire. When it comes to this Nation's financial reputation, the stakes are simply too high. We must abandon any strategy of confrontation and resolve this critical issue in the spirit of cooperation.''

I hope the majority will heed the advice of the second person. The Republican Party was badly burned by their misguided efforts to shut down the Government with the CR but more importantly the Nation was hurt when I was in the district the last several weeks, I met among others with representatives of veterans organizations who told us the appeals process was already way behind and with the shutdown it became even more delinquent, to the terrible detriment of the veterans of this country.

Second, I want to talk about one of the issues that might be tied to the debt ceiling and that relate to welfare reform. This country badly needs it. It is clear, I think, from the experience of last year, it can be achieved only on a bipartisan basis. In the last session, the Republicans tried it on a strictly partisan route. They produced a bill that did not effectively link welfare to work, and it would have hurt kids. It missed the mark by carrying out the true national interest in welfare reform, breaking cycles of dependency and helping children in the welfare system, not by punishing them but by moving their parents from welfare to work.

There was no attempt, none whatsoever, to work out differences on a bipartisan basis with Democrats in the House—we do want welfare reform—or with an administration that has been active for years on this.

A hearing was held last week in the Human Resources Subcommittee, on which I sit. Two Governors, among others, presented the NGA proposal. We discussed with the Governors a number of concerns about their proposals.

First of all, their contingency fund, it is not going to protect against a recession. In the recession of the early 1990's, AFDC funding increased over $6 billion in 3 years. The provisions of the Governors' proposal would have much less than that, in fact a third of that over 5 years.

The maintenance of effort provisions in the Governors' proposal need to be looked at further. The way they have crafted that, the result could be a far larger proportion of Federal as compared with State dollars, a substitution of Federal dollars for State moneys including in child care and overall far fewer dollars available to implement welfare reform.

Welfare reform must be driven by moving people off of welfare into work. A rebalanced partnership to achieve this does mean more State flexibility, but it must be combined with State accountability and effectiveness.

A third provision that needs much more work relates to fair and equitable treatment of families receiving assistance. There is a broad reference in the NGA proposal, but much more work is clearly needed to ensure that provisions are enforceable and that there are procedural safeguards for individual families seeking assistance.

Likely on Medicaid the Governors' proposal would sever the assurance that when families, when people move from welfare to work, there is health care coverage for their kids.

Fifth, on food stamps, the proposal of the NGA would undermine the Food Stamp Program as a safety net for the children who are covered today.

There is also a clear need to review provisions in the NGA document on child care, child welfare, SSI and, clearly, benefits for legal immigrants. These concerns and others will be spelled out in more detail tomorrow in the testimony on behalf of the administration by HHS Secretary Donna Shalala.

The Governors stated in their testimony last week, and I quote, that it is imperative that the congressional process be bipartisan. The House Republicans have a clear choice. They can make a good-faith effort to discuss concerns on a bipartisan basis and attempt to work out differences, or they can proceed as they did last year and as they are beginning to do this year acting on a strictly partisan basis.

I finish with this. If the majority searchers for a political issue, then the outlook for welfare reform is, indeed, dismal. But if the search is for a new structure that reflects where the mainstream of America is, the outlook is more promising.

CASTRO'S ACT OF MURDER

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Florida [Ms. ROS-LEHTINEN] is recognized during morning business for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, as the international community now knows, this past Saturday Cuban tyrant Fidel Castro once again demonstrated his brutal nature after his thugs shot down two United States civilian planes belonging to the humanitarian group, Brothers to the Rescue, killing four innocent young men including American citizens.

Knowing of the long track record of repression and cruelty that the Castro regime has exhibited against the Cuban

people for over three decades, this deplorable act should not surprise anyone. The Clinton administration took some positive steps, but unfortunately they are not strong enough to respond to Castro's cold-blooded act of murder. Instead of seeking an international embargo against Castro similar to the one implemented against Haiti over a year ago, the administration settled for lukewarm sanctions which will not do enough to push Castro out of power. How many more people have to be harassed, persecuted, and killed before the administration and the international community realize that Castro's tyranny deserves the same if not tougher international sanctions as the ones that were taken against undemocratic regimes in Haiti, in South Africa, in Iraq?

That is why we have asked the President to impose a naval blockade similar to the blockade that was placed against the illegitimate military regime of General Raoul Cedras in Haiti. That is why we have asked the President to go to the U.N. Security Council to get an international embargo against Castro's dictatorship.

For over three decades, a veil of sorrow and despair has covered the island of Cuba. The waters of the Caribbean and the Atlantic Ocean have been transformed by the blood of the thousands of Cubans who throughout the years have fallen prey to the brutal regime of Castro, a dictator whose appetite for power has victimized not only the people of Cuba but has held the principles of freedom and democracy hostage throughout the Western Hemisphere.

That beast, Fidel Castro, angered by displays of strong will and free thinking, by manifestations that the Cuban people are determined to defend their right to liberty, planned and executed the murder of four innocent civilians, members of that humanitarian organization, Brothers to the Rescue. There are no mitigating factors, there are absolutely no excuses that the Cuban regime can manufacture which could justify such a blatant act of aggression against innocent Americans whose only sin was to care about the welfare of those risking their lives to flee the Castro tyranny.

However, this most recent action sends a message to the Clinton administration that the United States should not negotiate with terrorists. It reinforces the notion to the Clinton administration and to foreign governments who support this policy of appeasement with Castro that democratic nations built on safeguarding the most basic fundamental rights of its citizens cannot and should not deal with pariah states.

It further emphasizes the need for further strengthening the United States embargo on Cuba through passage of the Helms-Burton legislation. The Castro regime must be further isolated. As the Castro regime's circle of friends continues to diminish, the pressure exerted by the Helms-Burton bill will be the devastating blow which could force the Castro regime to succumb to the realities of a free world.

Clearly the time to act is now. We hold one of the keys to unlocking the chains that bind the Cuban people, and that key could very well be the Helms-Burton legislation. We must not enter into a new millennium with the people of Cuba in bondage. Let us support the Cuban people in their days of struggle.

PREVENT FUTURE TRAGEDIES OF SHOT DOWN AIRCRAFT FROM HAPPENING AGAIN

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. SERRANO] is recognized during morning business for 5 minutes.

Mr. SERRANO. Mr. Speaker, I first want to join all Americans in expressing my condolences and pain to the families of the pilots who were shot by the Cuban Air Force. This is a tragedy and we should all deeply regret the death of these pilots.

I also believe that the Cuban Government should have dealt with this situation in a different way. The planes, if need be, could have been grounded and not destroyed.

My purpose in speaking on this floor today, Mr. Speaker, is to try to reach a point of understanding where we can prevent these tragic issues from taking place in the future and to prevent what I believe is a confrontation that may be coming between the Cuban Government and our Government, perhaps a violent confrontation. The question that needs to be asked is what did our Government know about prior flights by Brothers to the Rescue into Cuban airspace and what did our Government do with this knowledge?

I have the statement, which is public by now, by the Cuban Government that shows in order the documentation of violations of Cuban airspace by planes registered in the United States from May 1994 to the present. In 1994 there was a violation almost every month and similar in 1995. There have been documented press reports about the dropping of anti-Castro leaflets over Cuba by planes registered in the United States.

On the 15th of this year, the French press agency reported that the Cuban Government complained that its airspace had been violated by United States-based planes which dropped anti-Castro leaflets over Cuba. In this same article it mentions that the Miami-based group Brothers to the Rescue issued a statement saying that it had dropped half a million leaflets printed over Cuba with messages against the Castro government. Both of these actions, of dropping leaflets and in some instances buzzing buildings in Havana, were known to our Government. In fact, the White House acknowledged the incident and expressed regret about it, but it is unclear what additional actions were taken. Did our Government take action?

This morning I had a conversation with the counsel's office at the Federal Aviation Administration. They confirmed that they had recommended the pilot license suspension of the leader and founder of the group Brothers to the Rescue. I am not clear whether this gentleman flew on this last mission with a license or without a license, but it was based on our understanding at the FAA that this group had in fact violated Cuban airspace at least on that last occasion, July 13, when they went over Havana.

The death of these pilots is an unfortunate tragic incident that could have been, in my opinion, prevented. We need to find out exactly what happened and how much of the responsibility our own Government bears for this incident. We need answers to prevent a similar tragedy from happening in the future.

Not long ago, we negotiated with the Castro government over the people that were coming over on rafts and came up with an immigration policy. Why not call the Castro government to the table now and hear their gripes about their airspace, present to them our feelings about the issue and try to at the minimum reach an agreement on this particular issue?

All of my colleagues know my position on our whole relationship with Cuba. I am in favor of lifting the embargo and normalizing relations. But I realize that this is not the time for that because once again, either through provocation or by accident, the Castro issue has been placed on the front burner, and Castro once again becomes the enemy we most love to hate. But we can negotiate and prevent this in the future.

When the President yesterday said no more flights to Cuba from the United States, I ask sincerely, not sarcastically, was he also talking about illegal flights that leave Miami and go to Cuba and run around their airspace or just the legal flights that we now have?

We will now support and take great joy in the fact that the United Nations condemned Cuba. But please understand that that does nothing to better the relationship between the two countries or to head off a confrontation. For years the United Nations has been condemning us for our embargo on Cuba, and it has not changed our policy toward the island.

I will do something today that is not part of being a good Democrat, I guess, and that is to ask the Republican leadership to conduct a congressional investigation into how much our Government knew about these incidents and the violation of Cuban airspace so that in the future we can prevent this confrontation and this loss of human life.

THE SUGAR PROGRAM SHOULD BE PHASED OUT

The SPEAKER pro tempore. Under the Speaker's announced policy of May

12, 1995, the gentleman from Florida [Mr. MILLER] is recognized during morning business for 5 minutes.

Mr. MILLER of Florida. Mr. Speaker, today I rise to advocate the phaseout of the Government-run sugar program in this country. The Government-run sugar program is a cartel that the Government regulates that is very much antifree enterprise, it is anticonsumer, it is antienvironment, and it is antijobs in this country.

We will have a chance later on this week during the farm bill reauthorization to vote on a 5-year phaseout of this program in the Federal Government. The day of big government is over, and this is a big government program that should be phased out.

The sugar program in the country today is a big government program that keeps the price of sugar at twice the world price. As part of this reauthorization program on the farm bill, there are lots of good changes in the farm program in the country. Chairman ROBERTS and the committee have done a good job to reduce the role of the Federal Government in farm policy in this country.

There are lots of changes in wheat, corn and such, but not in the sugar program. The sugar program is not being reformed in this reauthorization bill. The sugar program is a cartel where the Federal Government controls the total supply of sugar in the United States and as such keeps the price of sugar at twice the world price.

The Federal Government tells every individual sugar farmer in the United States how many pounds of sugar he can sell today. It tells different countries of the world how many pounds of sugar they can sell in the United States. In fact, it is so bad when it tells Australia, for example, that has a free market in sugar, it tells Australia how many pounds of sugar to sell. Australia does not sell it to us at the world price. They sell it to everybody else at the world price of about 12 cents a pound. But, no, no, the United States, we pay 24 cents a pound because we want to pay the U.S. price. It is a crazy big government program. Let me explain why it is a bad program.

For the American consumer, it costs $1.4 billion a year. This is a General Accounting Office report, an independent study, that says it costs the American consumer $1.4 billion a year in additional cost on the price of sugar in the store, on the price of the soft drinks, on the price of candy, on the price of cereal, everything that uses sugar. Why should the American consumer get gouged like that? That is absolutely wrong.

It is a corporate welfare program. It is corporate welfare because 42 percent of the benefits of this program goes to 1 percent of the plantations in this country. There are 33 plantations in this country that get over a million dollar a year benefit from the program. There is no justification for this kind of corporate welfare program.

As I have said before, it is the sugar daddy of all corporate welfare. We want to target corporate welfare, this is one program we should target. In my home State of Florida, 75 percent of the sugar is controlled by two plantations, 75 percent by two companies. That is corporate welfare. It is not the small farmer we are talking about as some people want to make you think.

Environmentally this has been a bad program for Florida. In 1960, when I finished high school, we had 50,000 acres farmed for sugar in the State of Florida. Today we have 450,000 acres of sugar in the State of Florida. As we have increased the production of sugar every year in Florida, the quality of the Everglades and Florida Bay have been declining.

There is a direct correlation to increased sugar production and the damage that is being done to the Florida Everglades. We need to stop that damage that is hurting our environment. It is hurting our economy in Florida. Just the jobs depending on the people in the Florida Keys are impacted by this, for example. So we need to do something about the damage that sugar is causing to the Florida Everglades.

On jobs in general, the sugar program is causing a loss of jobs because refiners are closing. In the past 10 years we have had to reduce sugar refining capacity by 40 percent because under this bill there is a limited amount of sugar being allowed into this county. And the jobs of the manufacturers, Bob's Candy, the largest candy cane company in the United States, is losing jobs. They are the largest manufacturer of candy canes. Candy canes are now coming on cheaper from outside the United States because sugar is so expensive in the United States.

In Canada the price of sugar is almost half the price it is in the United States. That is wrong. The proposal that is in the freedom to farm bill that Chairman ROBERTS will be bringing to the floor does not reform sugar. It keeps the cartel, it remains anticonsumer, antienvironment, antifree enterprise, and the price of sugar is not changed. So we are not seeing any change.

Fortunately, and I hope the Committee on Rules will allow, I have a bipartisan proposal, an amendment that I will be offering with the gentleman from New York [Mr. SCHUMER]. We have over 100 cosponsors. This is a 5-year phaseout. I hope my fellow colleagues on both sides of the aisle will join me in advocating a 5-year phaseout.

FURTHER SANCTIONS AGAINST CASTRO ARE WARRANTED

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. MENENDEZ] is recognized during morning business for 5 minutes.

Mr. MENENDEZ. Mr. Speaker, I rise as the Representative of the second largest concentration of Americans, Americans of Cuban descent in the Nation, to condemn a brutal and cold-blooded, premeditated killing of American citizens, two of them born in the United States, one of them a Vietnam veteran.

I am tired of hearing the word ''exile.'' They are U.S. citizens.

Our response to the killing of American citizens in international airspace has not been sufficient. I am amazed at Members of this House who come here and in essence by their comments brush aside those facts. And they turn against our own government and look to our government as the alleged cause of the death of American lives. There is only one person who has caused the death of these four U.S. citizens, and that is the Castro dictatorship and Fidel Castro himself. No one who studies Cuba will dispute that only such an order could be given at the highest levels of that dictatorship because of the international consequences that would flow from it.

This is a brutal regime. It is a brutal regime. Castro can come to New York and he can wear an Armani suit. And he can sip Chablis with Madame Mitterrand, but that does not make him a respectable citizen of the international community. His actions would but his actions belie the appearance he tries to give when he comes to visit this country. This ruthless murder came at the end of a week of unprecedented repression in Cuba.

I hear many of my colleagues who disagree with our policy say we want to see peaceful democratic change come to Cuba. So do we. There is a group within Cuba struggling to create peaceful democratic change. Their name is Concilio Cubano, Cuban Council. It is a group of 120 different organizations who simply in the past week wanted to meet, committed to peaceful democratic change within the island, who wanted to meet and have the right to recognize under the Universal Declaration of Human Rights and the right that we as Americans enjoy every day to assemble and to have a redress of grievances.

What was the Castro regime's actions? It was to create mass arrests. Over 50 of their national leadership were placed in jail. Dozens of others were placed under house arrest. Women were strip-searched so they would not participate with the organization. One of their leaders who I spoke to on the phone directly from the United States to Cuba, after I spoke with him, that evening he was arrested. He has been sentenced to a year and a half in jail. For what? For speaking out. Nothing less than speaking out, nothing more than that.

Mr. Speaker, I flew with Brothers to the Rescue over a year ago. I was on one of those planes. Their mission has been a search and rescue mission of human lives. They have saved thousands of lives in the Florida Strait. On the day that I flew with them, we saved a dozen people who were on a tiny island who had been there for several

days. No one knew that they were there. We threw food and water to them and then radioed their location to the U.S. Coast Guard who subsequently rescued them.

Is there any more prolife efforts that one could have than those of Brothers to the Rescue? Mr. Speaker, the downing of unarmed defenseless civilian pilots calls for a strong response. The President has taken some actions. He has had our ambassador move in the United States, suspending all charter flights, agreeing to move on the Helms-Burton legislation, increasing Radio Marti's penetration into Cuba. But that is not enough.

I expect the President to announce other measures in the days ahead. Among those measures I would like to see, Mr. Speaker, is to begin to limit all licenses for visits to Cuba, revoking the visas of the Cuban interest section here in Washington and making sure that we have a further economic embargo on the island against the regime, which is the only thing that they have understood to create change within Cuba.

THE DEBT CEILING

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. SMITH] is recognized during morning business for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, this morning the headlines on the Congress Daily, the little newspaper that goes out on the Hill every day, says Senator DOMENICI recommends that the increase in the debt ceiling be used as leverage to make sure we get on a glidepath to a balanced budget. There were 160 of us, Mr. Speaker, as you know very well, that sent a letter to the President of the United States saying that we are not going to vote for an increase in the debt ceiling unless we do get on that glidepath to a balanced budget.

I brought this chart this morning to explain why it is so important that we insist to the full extent of our ability that we make changes in some of those entitlement programs, make some changes in those welfare programs that are leading us to pass higher and higher debt ceiling and more and more borrowing.

As my colleagues see on this pie chart, the bottom blue part of that pie chart that now represents 50 percent of the $1.6 trillion annual spending is the welfare programs and the entitlement programs, the so-called mandatory spending, now using up half of the Federal budget. As a point of reference, I would just suggest that, if we look back to the year, for example, 1955, mandatory spending only represented 3 percent of the total Federal budget spending.

The Constitution of the United States says that Congress is responsible for controlling the purse strings. It is responsible for spending. But what has happened in the last 40 years is Congress has given away that authority to legislation that says, if you meet these certain qualifications, of age or poverty or whatever, you are automatically entitled to these payments. It is no longer annual appropriation bills that are controlled by Congress. A majority in Congress can no longer control or reduce that spending that is using up 50 percent of this Nation's budget without the consent of the President.

So the question has been, how do you get a reluctant President that does not want to cut spending to make some of the changes in these welfare and entitlement programs? We have suggested that we are going to be as vigorous as we can in suggesting that, look, what causes most of the increased debt is the entitlement programs. Therefore, it is not only reasonable but they are inextricably tied to each other, the debt ceiling increase and changes in some of these welfare entitlement spending programs.

If my colleagues were to take a look at the other provisions of this pie chart, the green represents defense spending. Everybody agrees now that there has got to be a defense spending. In fact, the administration is suggesting that even now we might need a supplemental to cover the expenses of Bosnia. But the hawks and the doves, the Republicans and Democrats, conservatives and liberals, all of us agree on defense, there is little difference, a plus or minus 10-percent deviation on what the expenditures should be on defense.

So like the entitlement programs, most of defense is now on, if you will, automatic pilot. It is automatically a spending obligation of this country. What is also on automatic pilot is interest rates. So the interest on the national debt last year at $270 billion represented the total budget of the United States just back in 1977.

This country, this Government, and the expenditures of this Government and this huge bureaucracy continue to grow out of control because politicians in Washington have found sort of an undercover way to expand the size of government without the safeguards and protections of individual citizens that do not want their taxes raised too high. That is by more and more borrowing.

Somehow we do not feel that that borrowing affects our lives. I stand here today to suggest to my colleagues very aggressively that not only is it immoral to pass on what we consider important expenditures today and make our kids and our grandkids pay for it, out of money they have not even earned yet, but it is also tremendously a negative factor in economic expansion. Government borrows almost 42 percent of all of the money lent out in this country. We are driving interest rates as high as 2 percent more than they otherwise would be.

Chairman Greenspan, the Chairman of the Federal Reserve, suggested that if we can balance the budget, interest rates would drop 2 percent. If interest rates dropped 2 percent, he and other economists are saying this economy would take off like it has never taken off before in the history of this country and we would have more and better jobs and a stronger economy.

MAINTAIN THE EDUCATION OF OUR YOUNG

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 3 minutes.

Mr. PALLONE. Mr. Speaker, over the last 3 weeks, we had what is know as our district work period when we were back in our home States and our home congressional districts and had the opportunity to have forums and town meetings and meet with our constituents in a way that we really have not had the opportunity since August.

One of the things that the Democratic Members of the New Jersey congressional delegation did was to have an education express, where we went on a bus throughout the State of New Jersey from south Jersey to north and basically got opinions from both high school students and college students about the cuts in Federal education programs that have been proposed by Speaker GINGRICH and the Republican leadership. I was amazed to see how many of these students were concerned and how many were going to be directly impacted by the cuts that not only are proposed in the Gingrich budget but also have started to take place because of the cutbacks in the appropriation levels that have passed this House.

As my colleagues know, since October for education programs, we have not had a regular spending or appropriation bill. Instead we are operating under continuing resolutions, one of which expires on March 15 and has to be renewed if these programs are going to continue this year. We estimate that the funding levels under the current continuing resolution, if continued at the same rate through the rest of this fiscal year, would result in an unprecedented $3.1 billion cut in education funds, about a 20-percent cut.

I am hopeful that through the grassroots efforts of things like the education express and many of my colleagues coming back from this 3-week district work period, that we will be able to convince the Republican leadership that this level of cuts in education programs cannot and should not continue for the rest of this fiscal year because of the impact on students, on our young people and their education throughout this country.

Just to highlight a few differences between what the Republican Congress has proposed and what President Clinton and the Democrats have proposed on education, as many know, the national service program, or AmeriCorps,

was started by President Clinton and has been in effect now for a couple of years. About 25,000 AmeriCorps volunteers are earning college money by serving their local communities. The Republican budget proposals, however, would eliminate funding for President Clinton's national service program.

On Pell grants, the President has called for increasing the number and maximum award which would help 375,000 more students benefit from Pell grants by the year 2000. The Republican budget that the President vetoed denies 380,000 deserving students a Pell grant college scholarship.

Head Start is another educational program that on a bipartisan basis President Reagan, President Bush and others on the Republican side have advocated Head Start and encouraged it. Yet the GOP budget would deny Head Start benefits to 180,000 children over the next 7 years.

These are just some of the examples of the education programs that would be cut and should not be cut if we are going to the invest in our students and our young people in this country.

WASTE AND WHITEWATER

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized during morning business for 2 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, it was important to be home in the district work break to be able to interact and listen.

I would simply like to ask a reasonable question of reasonable men and women. I recall in 1974 when a bipartisan Congress did something that was extremely charging and emotional, and that was to review the Presidency of the United States. It seemed to be in a period of only 1 month they came together in a bipartisan manner to uphold the Constitution. Do my colleagues realize that the hearings in the other body, Whitewater hearings, have cost this country $900,000, $900,000?

In addition, it is duplicative of the special prosecutor that continues. And now we have them asking to extend it to July, just a month before the conventions. Might I wonder what this is all about? Politics in the worst sort of way?

When we met with educational officials and students throughout my district, I remember a principal in my district, Anita Ellis of Ryan Middle School pleading for Goals 2000 money and full funding of educational dollars to help children learn. The one thing my colleagues, the gentleman from Texas, Mr. GENE GREEN, and the gentleman from Texas, Mr. BENTSEN, learned is that public education is alive and well in Texas and in Houston, but $900,000 for Whitewater?

Have they learned anything? Are they accomplishing anything? Are they not duplicating the special prosecutor? And yet we do not have a budget. Now there is a question of whether the debt ceiling will be lifted. You know what the crisis in America is all about? People want jobs, and with a debt ceiling that is not lifted, we will not have any jobs.

So I would simply ask the simple question, let us get on with our business and let us stop the folly of Whitewater. Get on with the business of funding education. Get on with the business of the proposed legislation that I have, the Fairness and Equal Opportunity Act of 1996, which will restore the faith of minorities and women that this Government will be open to them for jobs, education, and contracts.

This is the work at hand, not the folly of spending more of our children's education dollars on more work that is already being done by the special prosecutor.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 1 o'clock and 36 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DUNCAN) at 2 p.m.

PRAYER

The Reverend Dr. Ronald F. Christian, Office of the Bishop, Evangelical Lutheran Church of America, Washington, DC, offered the following prayer:

Almighty God, the Psalmist prays,

The eyes of all look to you oh Lord, you give them meat in due season and, You open your hand and satisfy the desire of every living thing.

And so this day we look to You, oh God, and also pray. For all that we already possess, we offer our gratitude, for our daily bread and all things we need for life and health, we humbly plead, and, for the peace of mind and soul that surpasses that of human design and construction, we make our petition this day.

Oh God, open Your hand of mercy and grace to us all. Where the great tragedy of hatred causes grief and pain, give comfort and hope. Where the great despair of hopelessness brings about a sense of futility and lack of purpose, bring a reason for being and Your love.

Hear us oh God, for this is our prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. BALLENGER] will lead the membership in the Pledge of Allegiance.

Mr. BALLENGER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, February 23, 1996.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 23 at 1:30 p.m. and said to contain a message from the President whereby he reports four deferral and four rescission proposals of budget authority under the Congressional Budget and Impoundment Control Act of 1974.

With warm regards,

ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

DEFERRALS AND RESCISSION PROPOSALS OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report three new deferrals and one revised deferral, totaling $3.6 billion, and four rescission proposals of budgetary resources, totaling $140 million.

These deferrals affect the International Security Assistance programs as well as programs of the Agency for International Development. The rescission proposals affect the Department of Defense.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 23, 1996.*

CASTRO: A COLD-BLOODED KILLER

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUNDERBURK. Mr. Speaker, last year, on the floor of the House, I

referred to Fidel Castro as a cold-blooded killer. The Cuban military shootdown of two unarmed American planes is not only a contemptible act of depravity but also reaffirms Castro's title of cold-blooded killer. The four Americans citizens in small Cessnas had no chance against the supersonic war planes sent to intercept and destroy them. For what crimes against humanity were they destroyed? Their crimes were in providing private humanitarian assistance to the Cuban refugees drifting in the open ocean. This indecent act reaffirms those old lessons of the cold war period that Communist dictators are totally brutal in their dealing with anyone weaker. They will violate any international law whenever it suits them. Shame on those congressional Democrats who have gone to Cuba in an attempt to normalize relations with this brutal dictator. Shame on President Clinton for waiting for this tragedy before deciding to support the Helms-Burton Cuban liberty bill, of which I was an original cosponsor. Mr. Speaker, it is time for the President of the United States to stop hiding behind the United Nations and send a clear and forceful message to Castro.

MAKE AMERICA STRONGER THROUGH EDUCATION

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, during the recess I attended an education forum in conjunction with the Assistant Secretary for Elementary and Secondary Education Gerald Tirozzi and Democratic leader DICK GEPHARDT at Travis Elementary School in my district in Houston, TX. With the uncertainty over funding levels for elementary and secondary education programs and the likelihood of deep budget cuts, schools all across our country are having a difficult time planning for next year and may even be forced to lay off teachers. The immediate result could be fewer teachers, larger classes, and a decline in the quality of education. We heard from teachers, parents, school administrators, police officers, as well as church officials, who are scared to death that their children will not be getting the proper preparation they need to compete and win in the new global marketplace.

We all believe in a balanced budget, deficit reduction, and cutting bureaucracy, but we all agreed that cutting education programs is the wrong way to achieve these goals. How can we make America stronger if we are not willing to invest in the future of America, with our young people's education?

Mr. Speaker, drastic cuts in title I, Goals 2000, the Safe and Drug Free Schools, and all other educational programs will cause irreparable harm not just to students in Travis Elementary in my district but students all across the country and Texas. It is wrong, and we should not do it.

THE LOOMING ECONOMIC CRUNCH

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, President Clinton has now been in the White House 3 years, 1 month, and 1 week. Under his watch, the national debt has gone up, taxes have gone up, and wages have remained stagnant. What is up should be down and what is down should be up.

Some economists now predict that the economy is on the verge of a recession. I hope that they are wrong, but let's not fool ourselves. The Clinton administration has pursued economic and tax policies that slow growth and stifle commercial activity. High taxes discourage risk-takers from expanding businesses, hiring new employees, or from starting new businesses.

Since Clinton took over as President, economic growth has been anemic and clearly has not matched the expansion we saw under President Reagan.

Americans are rightly concerned about a looming economic crunch caused by the antigrowth and pro-tax policies of the Clinton administration.

LET US RETURN TO THE PEOPLE'S BUSINESS

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, today the House returns from a month-long recess. Our return to work must begin a turn toward the people's business and away from the extremist special interest agenda that has dominated the first 14 months of this Congress.

The Republican majority has been in power for over a year now. And what do the American people have to show for it? Has this Congress given working men and women what they want and need?

American families want to know they can count on the secure dignified retirement they have worked so hard for. But Republicans in Congress want to cut Medicare and Medicaid.

Hard-working American families need a raise—so they can pay their bills. But congressional Republicans are cutting education and training at a time when workers need better skills to get a raise.

Mr. Speaker, in pursuit of their extremist agenda, the Republicans have launched an assault on working Americans struggling to get ahead. The American people deserve better. Let us put Congress where it belongs: back on the side of hard-working American families, not dancing to the tune of special interests.

UNCLE SAM RIPPED OFF AGAIN

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute.)

Mr. TRAFICANT. Mr. Speaker, McDonnell-Douglas, the giant defense contractor, once again has ripped off Uncle Sam big time.

Check this out: For a 4- by 7-inch door hook, $9,000; a 2- by 4-inch hinge, $1,090; a small 4-inch handle, aluminum handle, $1,200. Reports say they charge in excess of 56 times the normal legal rate.

And after all this, McDonnell-Douglas says, ''This is a mistake. We are very sorry.'' Mr. Speaker, beam me up. This is no mistake. This is a crime, and the criminals so responsible, that is right, criminals should go right to jail.

Mr. Speaker, ''sorry'' don't cut it. At least it should not.

Yield back the balance of all this rip-off.

DO NOT DEFAULT ON OUR DEBT PAYMENTS

(Mr. KENNEDY of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY of Massachusetts. Mr. Speaker, I want to welcome back my colleagues here in the House, particularly the freshman Republicans. I particularly want to give a message of hope to my colleagues over the issue of the threatened default on our national debt payments and the concerns that many senior citizens across this country have that there is an agenda being pursued by this House that will end up forcing the default not only of our debt payments but a default on our commitment to Social Security as well.

I would just issue a warning that if we begin to bounce the checks of our Social Security payments to our commitments to our senior citizens, the senior citizens of this country might very well come back and bounce the freshman class. The truth of the matter is, if we are concerned about balancing the budget of this country, we can get no less than five separate versions of a balanced budget passed on the floor of this House today. It might not be the particular version that the freshman Republicans want, but it will be a version that will look out after the best interests of this country.

Mr. Speaker, let us balance the budget. Let us not default on our debt payments.

LET US ADDRESS PROBLEMS FAMILIES CARE ABOUT

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, I guess I am surprised my Republican colleagues are not here today taking note of the fact it was only a year ago that this

House of Representatives was tied up in a massive debate over the first 100 days of the new Gingrich Republican leadership and the so-called Contract With America. They were so proud of this contract, we literally spent over 3 months on the floor dealing with 31 separate bills in the Contract With America, and 3 of them became law, 3 out of 31, a colossal waste of time.

As a result, we fell behind in passing spending bills, saw the Government shut down for the longest periods in our Nation's history, and now the Republicans suggest America may just default on its national debt for the very first time in our history. The problem is that the Republicans in the House have become irrelevant to working families across America. They are concerned about the security of their pensions, their health insurance, making certain that they have a job, that their kids can get a good college education.

It is time for Congress to get down to work, put aside the bad year that we just finished, and on a bipartisan basis address the problems that working families really care about.

IT IS TIME TO GET DOWN TO BUSINESS

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, we are back now from a 3-week district work period, and I think it is really important that we get down to business.

My constituents that I visited at town meetings and forums over the last 3 weeks all indicated to me they were tired of the Government shutdowns, they were tired of the possibility of the Government going into default. They felt it was really incumbent upon the Republican leadership and Speaker GINGRICH to get down to business, forget about the extremist agenda, and the effort to try to inculcate this extremist ideology, and instead we should be working in the House of Representatives to try to deal with the economic problems the average American has.

There is still a lot of job instability out there. There is downsizing taking place in the corporate world in New Jersey and throughout this country. These are issues that we must be dealing with.

We cannot continue to hold the Government hostage with possible Government shutdowns or with the possibility of getting into default. We simply have to get down to business. That is the message that must get across to the Republican leadership here in the House of Representatives. The time is now to get the job done.

MISLEADING ADVERTISEMENTS—GET YOUR GREEN CARDS HERE, QUICK AND EASY

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I want to share with my colleagues an advertisement in the January issue of the Orlando ''TV and Visitors Guide.'' This is in all the motel rooms in Orlando.

It claims that green cards are being issued on a first come, first served basis by making just one phone call. Anyone can get one. The truth is that it is not that easy, and private companies are charging money for a free service. Workers are exploited by these misleading and often illegitimate companies.

This is just another example of the problems of the immigration system and how badly the broken system needs to be fixed.

All too often, immigrants bring in their so-called extended family who become dependent upon the welfare state. I am continually asked by my constituents, why is it so easy for noncitizens to receive SSI, food stamps and Medicaid, while they are having problems obtaining their benefits?

The system, Mr. Speaker, is being abused, with the burden placed on our hard-working citizens. Immigration laws must be reformed to ensure noncitizens are self-reliant, instead of dependent upon the American taxpayers.

□ 1415

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV. Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

NATIONAL TECHNOLOGY TRANSFER AND ADVANCEMENT ACT OF 1995

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 2196) to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

The Clerk read as follows:

Senate amendments:

Page 3, line 24, before ''field'' insert ''prenegotiated''.

Page 5, line 4, strike out all after ''only'' down to and including ''finds'' in line 5 and insert ''in exceptional circumstances and only if the Government determines''.

Page 5, after line 15 insert: ''This determination is subject to administrative appeal and judicial review under section 203(2) of title 35, United States Code.''.

Page 13, strike out lines 10 through 17 and insert:

''Section 11(i) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(i)) is amended by inserting 'loan, lease, or' before 'give'.''.

Page 21, strike out all after line 22 over to and including line 3 on page 22 and insert:

''(13) to coordinate Federal, State, and local technical standards activities and conformity assessment activities, with private sector technical standards activities and conformity assessment activities, with the goal of eliminating unnecessary duplication and complexity in the development and promulgation of conformity assessment requirements and measures.''.

Page 22, lines 5 and 6, strike out ''by January 1, 1996,'' and insert ''within 90 days after the date of enactment of this Act,''.

Page 22, strike out all after line 7, over to and including line 5 on page 23 and insert:

''(d) UTILIZATION OF CONSENSUS TECHNICAL STANDARDS BY FEDERAL AGENCIES; REPORTS.—

''(1) IN GENERAL.—Except as provided in paragraph (3) of this subsection, all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments.

''(2) CONSULTATION; PARTICIPATION.—In carrying out paragraph (1) of this subsection, Federal agencies and departments shall consult with voluntary, private sector, consensus standards bodies and shall, when such participation is in the public interest and is compatible with agency and departmental missions, authorities, priorities, and budget resources, participate with such bodies in the development of technical standards.

''(3) EXCEPTION.—If compliance with paragraph (1) of this subsection is inconsistent with applicable law or otherwise impractical, a Federal agency or department may elect to use technical standards that are not developed or adopted by voluntary consensus standards bodies if the head of each such agency or department transmits to the Office of Management and Budget an explanation of the reasons for using such standards. Each year, beginning with fiscal year 1997, the Office of Management and Budget shall transmit to Congress and its committees a report summarizing all explanations received in the preceding year under this paragraph.

''(4) DEFINITION OF TECHNICAL STANDARDS.—As used in this subsection, the term 'technical standards' means performance-based or design-specific technical specifications and related management systems practices.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland [Mrs. MORELLA] and the gentleman from Tennessee [Mr. TANNER] will each be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House passed H.R. 2196 on December 12, 1995, by voice vote. Subsequently, on February 7, 1996, the Senate passed H.R. 2196 with an amendment. Today, we are prepared to enact H.R. 2196, as amended, into law.

The Senate-passed amendment was negotiated in conjunction with this body and has the support of the sponsors of the bill. The Senate amendment is technical in nature, serves to clarify

the existing bill language, and meets with the original intent of H.R. 2196, as originally passed by the House.

Mr. Speaker, H.R. 2196 will implement long-needed improvements to the body of laws which encourage and stimulate the transfer of technology developed, with Federal research and development dollars, to the private sector. It does this in three principal ways:

First, by providing necessary guidance in defining the intellectual property rights of private sector Cooperative Research and Development Agreement [CRADA] partners for technologies created from joint research and development activities conducted in partnership with Federal laboratories. Industry partners will be assured of having, at minimum, an exclusive license in a prenegotiated field of use for the new technology. This should promote prompt commercialization of these discoveries, as well as make a CRADA more attractive at a time when both Federal laboratories and industry need to work closer together for their mutual benefit and our national competitiveness;

Second, by enhancing incentives for Federal inventors to develop new inventions in their fields of research; and

Third, by allowing Federal labs greater flexibility to use the royalty stream resulting from the commercialization of Federal inventions to develop new inventions in their fields of research; and

Third, by allowing Federal labs greater flexibility to use the royalty stream resulting from the commercialization of Federal inventions to support the work of their laboratories, and reward participants in CRADA activities for their work on successful projects.

At this time, I will not detail at length, the many specific ways in which H.R. 2196 accomplishes these goals, and would refer my colleagues to my December 12, 1995, statement in the RECORD, for more specific information in that regard.

I would note, however, that equally notable to the significant technology transfer provisions contained in H.R. 2196, is language in section 12 that will improve the climate for the Government adoption of private sector-developed, voluntary consensus standards, by directing Federal agencies to focus upon increasing their use of such standards wherever possible.

The effect of this section 12 provision would be a reduction in Federal procurement and operating costs. For example, instead of mandating products built only to special Government-created standards, the Federal Government can cut costs by purchasing off-the-shelf products meeting a voluntary consensus standard that, in the judgment of an agency, meet its procurement requirements. Commercial industry also would benefit from such action through greater opportunities for competitive Government bidding and increased sales to the Government.

Additionally, section 12 gives the National Institute of Standards and Technology important new authority in its organic statute to act as the Federal coordinator for Government entities responsible for the development of technical standards and conformity assessment activities. As a result, the Federal Government can move with greater speed to implement the routine use of voluntary consensus standards and eliminate unnecessary duplication of conformity assessment activities.

Section 12, as amended, has been endorsed by our Nation's businesses, as well as the standards community, and has been approved by the administration. They are anxious to implement the much-needed clarifications and new Government responsibilities defined in the bill to streamline and improve our Federal standards responsibilities.

Mr. Speaker, I urge support for the amendment, approved by the other body, to H.R. 2196. Since my distinguished colleagues will be discussing the amendment in greater detail, I will only provide a summary at this time. The Senate amended H.R. 2196 in the following manner:

Made clear that exclusive field-of-use licenses extended to private sector CRADA partners of technologies, developed within joint research projects, shall be defined by a good-faith negotiation between the respective parties;

Ensured that any exercise of march-in rights by a Government entity shall be done only in exceptional circumstances, and would be subject to administrative appeal and judicial review;

Ensured that transfers of excess laboratory equipment to educational and charitable institutions shall be done subject to Federal property disposal accountability requirements; and

Tightened the focus of our language, codifying OMB Circular A–119, regarding the adoption of voluntary, consensus standards and conformity assessment activities to ensure that agencies are clear that such efforts are to be conducted with due regard for the requirement of law and within the parameters of agency missions, responsibilities, and budgets as defined by Congress.

Mr. Speaker, this legislation is strongly supported by the administration, our friends in the Federal laboratory system, and the agencies that have responsibility for administering those laboratories. I urge my colleagues to support H.R. 2196, as amended, today so we can send it to the President and give the important new provisions in the bill the full force of law.

Mr. Speaker, before I reserve the balance of my time, I include for the RECORD the following summary and outline of H.R. 2196 and the Senate amendment, which were drafted by the committee staff.

H.R. 2196, THE NATIONAL TECHNOLOGY TRANSFER AND ADVANCEMENT ACT OF 1995

OBJECTIVES:

Encourages utilization of our federal laboratories to enhance our nation's industrial competitiveness in the global marketplace by promoting partnership ventures with federal laboratories and private-sector industry.

Advances prompt commercialization of inventions created in such a collaborative agreement, by guaranteeing the industry partner sufficient intellectual property rights to the invention.

Provides important incentives and rewards to federal laboratory personnel who create new inventions.

Provides several clarifying and strengthening amendments to current technology transfer laws.

Also makes changes affecting the Fastner Quality Act, the federal use of standards, and the management and administration of scientific research and standards measurement at the NIST.

LEGISLATIVE HISTORY:

Passed the Technology Subcommittee on October 18, 1995

Passed the Science Committee on October 25, 1995

Committee Report filed on December 7, 1995 (H. Rpt. 104–390)

Passed the House of Representatives on December 12, 1995

Passed the Senate with an amendment on February 7, 1996

Considered for enactment into law by the House on February 27, 1996

SUMMARY OUTLINE OF MAJOR PROVISIONS OF H.R. 2196 (H. REPT. 104–390)

Statutory authority:

Amends the Stevenson-Wydler Technology Innovation Act of 1980 (P.L. 96–480) and the Federal Technology Transfer Act of 1986 (P.L. 99–502), among other provisions, by creating incentives and eliminating impediments to encourage technology commercialization, and for other purposes

Impacts upon technology transfer policies in both a government-owned, government-operated (GOGO) laboratory and a government-owned, contractor-operated (GOGO) laboratory

Effect upon technology transfer in a CRADA:

Provides assurances to United States companies that it will be granted sufficient intellectual property rights to justify prompt commercialization of inventions arising from a cooperative research and development agreement (CRADA) with a federal laboratory

Provides important incentives and rewards to federal laboratory personnel who create new inventions

Effect upon CRADA private sector partner under the act

Guarantees right to option, at minimum, of exclusive license in a pre-negotiated field of use for inventions resulting from a CRADA

Assures that privileged and confidential information will be protected when CRADA invention is used by the government

Assures private sector partner the right to possess its own inventions developed in a CRADA

Effect upon Federal Government under the Act

Provides right to use invention for legitimate government needs

Clarifies contributions laboratories can make in a CRADA and continues current prohibition of direct federal funds to a private sector partner in a CRADA

Clarifies that agencies may use royalty revenue to hire temporary personnel to assist in the CRADA or in related projects

Permits agencies to use royalty revenue for related research in the laboratory, and for related administrative and legal costs

Allows federal government to require licensing to others only in exceptional circumstances for compelling public health, safety, or regulatory needs while providing administrative appeal and judicial review in such rare circumstances

Returns all unused royalty revenue to the Treasury after the completion of the second fiscal year

Clarifies authority of laboratories, agencies, or departments to donate excess scientific equipment by gift, loan, or lease to public and private schools and nonprofit institutions

Effect upon Federal scientist/inventory under the act

Provides the inventor with the first $2,000, and thereafter, at least 15% of the royalties, in each year, accrued for inventions made by the inventor

Increases individual maximum royalty award to $150,000 per year

Allows rewards for other lab personnel who substantially assist in the invention

Restates current law permitting a federal employee to work on the commercialization of his or her invention

Clarifies that a federal inventor can obtain or retain title to his or her invention in the event the government chooses not to pursue it

Administrative and management provisions affecting the National Institute of Standards and Technology (NIST)

Provides authority for a shuttle bus service between the NIST Gaithersburg, Maryland campus and the Shady Grove Metro subway station for employees to use in their commute to work

Expands the NIST Visiting Committee to 15 members, with the requirement that 10 members shall be from United States industry

Increases the cap on postdoctoral fellowships to 60 positions from 40 positions

Makes permanent the NIST Personnel Demonstration Project

Fastener quality act amendments

Amends the Fastener Quality Act (P.L. 101–592), as recommended by the Fastener Advisory Committee, focusing on heat mill certification, mixing of like-certified fasteners, and sale of fasteners with minor nonconformances

Federal use of standards

Restates and clarifies existing authority for the National Institute of Standards and Technology (NIST) to coordinate standards and conformity assessment activities in all levels of government

Codifies Office of Management and Budget (OMB) Circular A–119, requiring federal agencies to adopt and use standards developed by voluntary consensus standards bodies and to work closely with those organizations to ensure that the developed standards are consistent with agency needs

SECTION-BY-SECTION ANALYSIS OF H.R. 2196

Section 1. Short title

The Act may be cited as the ''National Technology Transfer and Advancement Act of 1995.''

Section 2. Findings

Bringing technology and industrial innovation to the marketplace is central to the economic, environmental, and social well-being of the country. The federal government can help United States businesses speed the development of new products and processes by entering into a Cooperative Research and Development Agreement (CRADA) with private sector businesses. A CRADA arrangement makes available the assistance of federal laboratories to the private sector. However, the successful commercialization of technology and industrial innovation is predominantly dependent on actions taken by the private sector. This commercialization will be enhanced if companies, in return for reasonable compensation to the federal government, can more easily obtain exclusive licenses to inventions which develop as a result of this cooperative research with federal laboratory scientists.

Section 3. Use of Federal technology

Amends the Stevenson-Wydler Technology innovation Act of 1980 (P.L. 96–480) to continue participation in the Federal Laboratory Consortium for Technology Transfer by all federal agencies with major federal laboratories.

Section 4. Title to intellectual property arising from cooperative research and development agreements

Guarantees an industrial partner to a joint Cooperative Research and Development Agreement (CRADA) the option to choose, at minimum, an exclusive license for a pre-negotiated field of use to the resulting invention. Reiterates government's right to use the invention for its legitimate needs, but requires the obligation to protect from public disclosure any information classified as privileged or confidential under Exemption 4 of the Freedom of Information Act (FOIA).

In exceptional circumstances, provides that when the laboratory assigns ownership or an exclusive license to the industry partner, licensing to others may be required if needed to satisfy compelling public health, safety or regulatory concerns. In such rare circumstances, the industry partner would have administrative appeal and judicial review, similar to the Bayh-Dole Act. (P.L. 96–517) Also, clarifies current law defining the contributions laboratories can make in the CRADA. Permits agencies to use royalties in hiring temporary personnel to assist in the CRADA or related projects. Enumerates how a government-owned, government-operated (GOGO) laboratory and a government-owned, contractor-operated (GOCO) laboratory may use resulting royalties.

Section 5. Distribution of income from intellectual property received by Federal laboratories

Requires that agencies must pay federal inventors each year the first $2,000 and thereafter at least 15% of the royalties received by the agency for the inventions made by the employee. Increases an inventor's maximum royalty award to $150,000 per year. Allows for rewarding other laboratory personnel involved in the project, permits agencies to pay for related administrative and legal costs, and provides a significant new incentive by allowing the laboratory to use royalties for related research in the laboratory. Provides for federal laboratories to return all unobligated and unexpended royalty revenue to the Treasury after the end of the second fiscal year after the year which the royalties were earned.

Section 6. Employee activities

Clarifies the original congressional intent that rights to inventions should be offered to employees when the agency is not pursuing them. Permits a federal scientists, or a former laboratory employee, in the event that the federal government chooses not to pursue the right of ownership to his or her invention or otherwise promote its commercialization, to obtain or retain title to the invention for the purposes of commercialization.

Section 7. Amendment to Bayh-Dole Act

Reflects technical changes made by this Act as it affects the Bayh-Dole Act. (P.L. 96–517)

Section 8. National Institute of Standards and Technology Act amendments

Provides authority for the National Institute of Standards and Technology (NIST) to have a shuttle bus service between its Gaithersburg, Maryland campus and the Shady Grove Metro subway station for employees to use in their commute to work. Expands the NIST Visiting Committee from 9 members to 15, with the requirement that 10 members, increased from 5, shall be from United States industry. Increases the cap of postdoctoral fellowship from a maximum of 40 to 60 positions per fiscal year.

Section 9. Research equipment

Clarifies that a laboratory, agency, or department can donate, loan, or lease excess scientific equipment to public and private schools and nonprofit institutions.

Section 10. Personnel

Makes permanent the National Institute of Standards and Technology (NIST) Personnel Demonstration Project. The project has helped NIST recruit and retain the ''best and brightest'' scientists to meet its scientific research and measurement standards mission.

Section 11. Fastner Quality Act amendments

Amends the Fastner Quality Act (P.L. 101–592), as recommended by the Fastner Advisory Committee, focusing on heat mill certification, mixing of like-certified fastners, and sale of fastners with minor non-conformance. The Fastner Advisory Committee reported that, without these recommended changes, the cumulative burden of compliance costs would be close to $1 billion on the fastner industry.

Section 12. Standards conformity

Restates existing authorities for National Institute of Standards and Technology (NIST) activities in standards and conformity assessment. Requires NIST to coordinate among federal agencies, survey existing state and federal practices, and report back to Congress on recommendations for improvements in these activities. Codifies OMB Circular A–119 requiring federal agencies to adopt and use standards developed by voluntary consensus standards bodies and to work closely with those organizations to ensure that the developed standards are consistent with agency needs.

Section 13. Sense of Congress

Provides that it is the sense of Congress that the Malcolm Baldrige National Quality Awards program offers substantial benefits to United States industry, and that all funds appropriated for the program should be spent in support of its goals.

THE NATIONAL TECHNOLOGY TRANSFER AND ADVANCEMENT ACT OF 1995

SUMMARY OF SENATE AMENDMENT TO H.R. 2196

On February 7, 1996, the Senate, by unanimous consent, agreed to an amendment to H.R. 2196 offered by Senator Dole of Kansas, on behalf of Senator Rockefeller of West Virginia and Senator Burns of Montana. The House had passed H.R. 2196 on December 12, 1995.

The Senate-passed amendment was negotiated in conjunction with the House sponsors of H.R. 2196 and had been agreed to by all parties before its Senate consideration. The amendment clarifies the existing bill language and meets with the original intent of H.R. 2196, as passed by the House.

The Senate amendment to H.R. 2196 contains the following seven provisions:

1. Section 4. Clarifies that the field of use for which a collaborating party may receive an exclusive license is a pre-negotiated field of use. While the House report language was clear that the field of use should be pre-negotiated, this clarification was inserted into the bill language.

2. Section 4. Clarifies that the Government ''march-in'' rights which may require the holder of an exclusive technology to share that technology with others will only be exercised ''in exceptional circumstances.'' Once again, this clarification met with the intent of the House report language.

3. Section 4. Regarding the above-mentioned ''exceptional circumstances'' when Government requires the holder of an exclusive technology to share that technology with others, inserts identical language regarding administrative appeal and judicial review language from the Bayh-Dole Act [35 Sec. 203(2)]—another federal patent law. This language would ensure that in the very remote eventuality of such a Government action, the private-sector collaborating party to a Cooperative Research and Development Agreement (CRADA) will be ensured the right of due process and appeal. This provision of H.R. 2196 would mirror the Bayh-Dole Act (P.L. 96–517).

4. Section 9. partially deletes provisions expressly waiving all federal disposal laws regarding the donation, loan, or lease of excess laboratory equipment.

5. Section 12. Clarifies the role of the National Institute of Standards and Technology (NIST) in coordinating government standards activities and corrects a small, minor drafting error. Restates the original intent that NIST is to coordinate with private sector standards activities to require government to sue industry-led standards, not federally-created standards.

6. Section 12. Changes the date on which a NIST report is required from January 1, 1996 to ''within 90 days of the date of enactment'' of H.R. 2196.

7. Section 12. Restates original language in the bill clarifying OMB Circular A–119, which directs federal agencies to use, to the extent practicable, technical standards that are developed or adopted by voluntary, private-sector, industry-led standards organizations. The language was reworked to meet the Senators' concern and yet remain faithful to both the original intent of the bill and OMB Circular A–119 to move the federal government to purchase commercial products in order to reduce costs.

Mr. Speaker, I reserve the balance of my time.

Mr. TANNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2196, the National Technology Transfer and Advancement Act of 1995.

I want to thank Mrs. MORELLA for bringing this bill to the floor and say that it has been a pleasure working with her on this legislation.

H.R. 2196 is the first significant update of Federal technology transfer laws in almost 7 years. H.R. 2196 builds on the experience of the Federal labs in developing partnerships with industry and is an important step in strengthening private-public partnerships for technology development.

At a time when the pressures of the market and Wall Street are causing American companies to focus on short-term profits, government-industry partnerships allow them the chance to develop the high-risk, long-term technologies that are vital for our future economic well-being.

We have reviewed the seven amendments the Senate made to the original text and they are perfectly acceptable. Some of the amendments were added for Senate jurisdictional reasons and others were requested by the executive branch.

A number of Members from both parties spoke in favor of H.R. 2196 when it passed the House in early December—no one spoke in opposition to this legislation. Therefore, I will not review in detail the merits and provisions of this bill again today.

Since the amendments to this bill are minor, and the bill as amended makes important strides forward for technology transfer at the Federal laboratories, in standards policy and for the National Institute of Standards and Technology, I urge adoption of this bill.

Mr. Speaker, I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply wanted to commend the ranking member of our subcommittee, the gentleman from Tennessee [Mr. TANNER], for the work he has done and the support he has given to this bill, and all of the others who are the sponsors of the bill and strongly support it. It is an important measure. It has been long in coming.

Mr. Speaker, I want to particularly thank the staff on both sides of the aisle. I want to particularly thank Ben Wu of my staff, who has worked very diligently through the years on this bill, and Mike Quear on the minority side, who has worked on it. In addition, I would thank Jim Turner and Dough Comer.

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2196.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mr. TANNER. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me thank very much my distinguished colleague, the gentleman from Tennessee [Mr. TANNER], a member of the Committee on Science, and to acknowledge the work of the gentlewoman from Maryland [Mrs. MORELLA]. She has always had a longstanding interest in this area, along with the gentleman from Pennsylvania [Mr. WALKER], our chairman, and the gentleman from California [Mr. BROWN], our ranking member.

I rise to support H.R. 2196. It has some very vital points. I have always said as we debated the funding for NASA, the space station, and as we debated funding of many of the science projects, particularly the Department of Commerce's advanced technology program, that technology and science is in fact the work creator of the 21st century. I think with H.R. 2196, the gentlewoman from Maryland [Mrs. MORELLA] has parted the waters of confusion around technology. What we have created is an even hand between Government and commercial entities with respect to the rights to intellectual property.

One of the features I find very attractive is the awarding to Federal inventors $2,000 in royalties, and of course if there is more, 15 percent above that. What an incentive to applaud and encourage the scientists that we have, the talented scientists that we have in our labs around this Nation. Might I add as well one of the major points of creating more opportunities is to educate those who are interested in the higher sciences, if you will. I applaud the bill proponent for increasing the number of doctoral fellowships within the National Institutes of Standards and Technology to help educate the scientists, engineers and inventors of tommorow. Mr. Speaker, I also realize many times in our hearings the gentlewoman from Maryland [Mrs. MORELLA] has expressed her interest and concern about girls and women in the sciences. I think that this is a very excellent opportunity to open the doors even more to those populations as we proceed towards the 21st century.

Might I yield to the gentlewoman from Maryland to have her respond, that in fact as we make this more palatable for our scientists, that we also open the doors of opportunity for women and minorities as well in the sciences.

Mrs. MORELLA. Mr. Speaker, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentlewoman from Maryland.

Mrs. MORELLA. Mr. Speaker, there is no doubt we do. We know as we approach the new millennium two-thirds of the new work force will be women and minorities. These are resources we must utilize, and in fact this technology transfer bill will help to move us in that direction.

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I believe in a paraphrase of the 23rd Psalm. My rod and my staff, they comfort me; prepare the papers before me in the presence of my constituents. And I wanted to make sure that I also gave credit to staff who helped, Doug Comer on this side as well as Jim Turner on the other side of the aisle.

I thank the gentlewoman for opportunity of allowing me to make that commendation.

Ms. JACKSON-LEE of Texas. I will conclude by remarks, Mr. Speaker, by saying I rise to support this legislation which will create the work of the 21st century and be a bipartisan effort to enhance technology and science in this Nation.

In this era of strident partisan politics, I am pleased to see efforts such as H.R. 2169, the National Technology Transfer and Advancement Act before the House today. I congratulate Representative MORELLA for crafting legislation which recognizes the importance of cooperation between the Federal and private sectors in developing new commercial technologies, products, and processes. Our national laboratories are world leaders and it is only common sense to harness their great abilities in pursuit of assisting and advancing the U.S. industry in the fiercely competitive global economy.

Under this bill, everyone wins: the private sector gets the rights to cutting-edge technology, the Federal Government receives royalty payments which may be used to fuel the fires of innovation and finally, the inventors and project scientists receive royalty compensation for their hard work.

In addition to these things, this bill provides for increasing the number of postdoctoral fellowships within the National Institute of Standards and Technology to help educate the scientists, engineers, and inventors of tomorrow. Adding these fellowships will cost the Government money, but I believe that money is the wisest investment we can make to help ensure the ability of our Nation to compete and prosper in the years to come.

I have voted in favor of this bill in committee and on this floor and as a supporter of everything this bill represents, I intend to do it yet again.

Mr. BROWN of California. Mr. Speaker, I rise in support of the Senate version of H.R. 2196 and urge its acceptance by the House of Representatives.

The Senate made seven amendments to the House-passed text of H.R. 2196. Some are minor and were added for Senate jurisdictional reasons. Others were requested by the executive branch to make implementation of this statute easier for the agencies involved. While there may be grounds of minor quibbles with what the Senate has done, we should accept its offer since it is not often that they offer us 99 percent of the loaf.

Three of the Senate amendments are to section 4 of H.R. 2196 which updates intellectual property rights under cooperative research and development agreements. Section 4 provides collaborating parties with the option to an exclusive license for a field of use for any such invention made pursuant to a CRADA and retains in the government a very limited right to compel licensing of these inventions for health and safety and other emergency reasons. The first Senate amendment makes it clear that a laboratory and its collaborating parties are to agree upon the scope of the field of use for inventions at the time they enter the CRADA agreement. Since the House legislative history was already clear on this matter, this amendment is simply clarifying in nature. The second and third amendments make it clear that the Government may compel a license to an invention made under a CRADA only in exceptional circumstances and that such a decision will be subject to the Bayh-Dole Act's administrative and judicial review provisions. These changes are also largely clarifying in nature and modify a statutory authority which has never been used.

The fourth amendment changes the provision in section 9 of H.R. 2196 which was designed to clarify the current Stevenson-Wydler Act section which permits Federal laboratories to transfer surplus equipment to educational institutions. There have been varying interpretations among the Federal agencies as to whether that section permits the loan of equipment by laboratories to schools and as to how the Stevenson-Wydler Act relates to the Federal property disposal law. I can say with certainty that this committee wrote the original provision as an alternative rather than as a supplement to Federal law for disposal of surplus laboratory equipment. We wrote the original provision after hearing from laboratories with equipment of no further use to them, who knew of schools that badly wanted the equipment. Yet because of the cumbersome nature of the Federal property disposal procedures, the equipment was gathering dust in the labs. The Stevenson-Wydler Act language was written as a simple, straightforward way to get this equipment back into the hands of those who could use it for the public good. Our amendment reinforced the original Stevenson-Wydler language by stating unambiguously that surplus Federal laboratory equipment can be lent, leased, or given to schools without going through Federal requirements on the disposal of property. The Senate Governmental Affairs Committee, which has Senate legislative jurisdiction over the General Services Administration, did not want a reference to Federal requirements on the disposal of property in a bill coming out of the Senate Commerce Committee. As a courtesy, the Senate Commerce Committee complied with their request to drop the reference. However, we wish to make clear that the dropping of this reference does not change the effect of this section. The Stevenson-Wydler Act scientific equipment transfer procedure remains a free-standing alternative to the Federal Property Act for this limited class of property. Under rules of statutory interpretation, the Stevenson-Wydler surplus property provision will continue to take precedence over the general Federal property disposal statute with reference to laboratory equipment both because it is the later enactment and because it is the more specific provision.

The fifth and sixth amendments are both technical and conforming amendments to section 12 dealing with standards conformity. In the fifth amendment, the Senate rewrites our language on coordination of standards to match exactly the House intent of bringing efficiency to conformity assessment by having government and industry coordinate their efforts. The sixth amendment is made necessary by delays in the enactment of this legislation. The House version of this section required submission of a report to the Congress by January 1, 1996, a date which has now passed. We, therefore, accept the Senate's decision to delay the reporting date until 90 days after the date of enactment of this act.

The final Senate amendment rewrites the paragraphs of this bill that sought to codify OMB Circular A–119, which requires Federal agencies to utilize voluntary consensus standards. While both the House and the Senate language share the same intent, the Senate language is more straightforward and unambiguous and therefore should be adopted. Currently, OMB Circular A–119 asks Federal agencies to utilize national consensus standards for procurement and regulatory purposes. This is because these standards are developed with great care and expertise in an open, democratic manner which makes U.S. voluntary standards the envy of the world. It is much cheaper and more efficient for the Government to rely on the hard work and expertise of these committees rather than reinventing the world. These groups are better equipped than the Government to understand all points of view and to keep up with the state of the art in technical standards. This section in both the House and Senate versions does not transfer public sector decisionmaking or regulatory authority to the private sector. It merely tells the Government that in its regulatory, procurement, and other activities that rest on technical standards pertaining to products and processes, that the Government is expected, wherever it makes sense, not to duplicate private sector technical standards activities. Instead, Federal agencies are to participate in and use the good work of the voluntary, consensus standards community. In those limited instances when an agency has a good reason not to use a voluntary consensus technical standard, it has the right to do so, provided that its agency head transmits its reasoning to the Office of Management and Budget and that a summary of such explanations are submitted annually to the Congress. As I said when this bill originally passed the House, we expect OMB to make this process as painless as possible for the agencies and to set up procedures to implement this section in such a way that procurements and regulations are not delayed. While agencies are expected to keep good records of this reasons for not using the standards, such a decision is not to be subject to administrative or judicial review.

Therefore, since the changes we are being asked to make are small and in general positive, and since the bill as amended still makes important stride forward for NIST, for the Federal laboratories, and in standards policy, I urge my colleagues to lend their support to this important legislation.

Mr. RICHARDSON. Mr. Speaker, this bill will create more jobs, provide incentives for important scientific inventions, and make it easier to give or loan Federal equipment to our schools.

THis measure makes economic and political sense. That is precisely the reasons why I support this legislation today, just as I did when it came to the House floor in December.

H.R. 2196—the National Technology Transfer and Advancement Act of 1995—is an effective mechanism for stimulating greater commercialization of the research being done at the National Laboratories, such as the Los Alamos National Laboratory [LANL] located in my district.

H.R. 2196 extends the Federal charter and set-aside for the Federal Laboratory Consortium for Technology Transfer. This charter was created through the hard work of Dr. Eugene Stark of LANL. The set-aside has provided stable annual funding to the consortium which has permitted technology transfer officers of the various Laboratories to work together.

THe Federal Laboratory Consortium members are linked together electronically which enables them to help businesses find out which other Federal Laboratories have expertise in specific areas.

For example, if an agriculturally oriented business in New Mexico went to the technology transfer officers at LANL with a problem, Los Alamos would be able to find out if any of the laboratories in the Departments of Agriculture or Interior, for instance, have expertise that is useful to that company.

The bill also gives far better incentives to Federal inventors who are an imperative necessity to our national security. Currently, inventors receive only 15 percent of the royalty stream from their inventions, meaning that most inventions have produced less than $2,000 a year. By changing the calculations so that agencies pay inventors the first $2,000 of the royalties received by the agency for the inventions made by the employee as well as 15 percent of the royalties above that amount, the bill provides these employees with greater incentives and equitable compensation.

Finally, H.R. 2196 clarifies that a Federal laboratory, agency, or department may give, loan, or lease excess scientific equipment to public and private schools and non-profit organizations without regard to Federal property disposal laws, for example, General Services Administration [GSA].

Therefore, if LANL wanted to donate unused equipment to a New Mexico school, it would not have to go through the bureaucratic red tape that is now required. Some Labs would rather store their unwanted equipment rather than going through the hassle of GSA disposal.

Mr. Speaker, H.R. 2196 is a bill of importance to the Federal Laboratories. It advocates technology transfer, creates an incentive for Federal inventors, and makes it easier to donate equipment to needy schools. The Technology Transfer and Advancement Act of 1995 is good legislation.

Mr. WALKER. Mr. Speaker, I commend the gentlelady from Maryland for her leadership in bringing H.R. 2196, the National Technology Transfer and Advancement Act to the floor.

As Chair of the Science Committee, I am proud of the committee's rich tradition of promoting technology transfer from our Federal laboratories.

I especially wish to applaud the chairwoman for her bipartisan leadership on this bill and in her efforts to promote effective technology transfer from our Federal laboratories. H.R. 2196 represents the type of legislation which this new Congress must undertake.

I am also very pleased that H.R. 2196 includes amendments to the Fastener Quality Act. These amendments are very important to the fastener industry and the need to include these changes to the current act is clear. The Fastener Advisory Committee was formed to determine if the act would have a detrimental impact on business. The Fastener Advisory Committee reported that without their recommended changes the burden of cost would be close to $1 billion on the fastener industry.

The act addresses the concerns of the Fastener Advisory Committee regarding mill heat certification, mixing of like certified fasteners, and sale of minor nonconformances.

Working with this Congress and NIST, the Fastener Public Law Task Force, comprised of members from manufacturing, importing, and distributing, has worked to improve the law while maintaining safety and quality. The Public Law Task Force represents 85 percent of all companies involved in the manufacture, distribution, and importation of fasteners and their suppliers in the United States.

Combined, the task force represents over 100,000 employees in all 50 States. We have worked with both sides of the aisle, the administration, manufacturers, distributors, and importers to reach this solution and I support the changes to the Fastener Quality Act.

I urge my colleagues to support H.R. 2196.

Mr. DINGELL. Mr. Speaker, I understand that most provisions of H.R. 2196 have been discussed and negotiated in a bipartisan fashion by Members of both bodies. Far too little effort during this Congress has been expended toward meaningful bipartisan legislative action and, for that significant accomplishment, I applaud the sponsors of this measure.

However, I am compelled to state for the record, as I have in the past, my concerns about portions of this bill that amend the Fastener Quality Act. As noted most recently in my December 12, 1995 statement, some of the fastener amendments included in this legislation appear to be designed to appease foreign manufacturers of fasteners (and some distributors who sell such foreign fasteners) rather than to protect the safety of American industry and consumers.

No hearings have been held on the need for some of the fastener provisions in this bill nor has any credible justification been advanced for their inclusion in this legislation. For example, the only reason cited for amending the Fastener Quality Act's traceability provisions (which Chairman WALKER favorably cited in his statement supporting the original legislation) is the supposedly excessive cost that would be imposed on businesses. A few distributors and foreign manufacturers—that is, those who profit from making and selling counterfeit and substandard fasteners—have produced wildly exaggerated figures to back up their claim that the original act's limited commingling prohibition will be the death knell for the fastener industry.

While foreign manufacturers and some fastener distributors have spent millions of dollars lobbying for these and other legislative changes to the Fastener Quality Act, other American companies simply rolled up their sleeves and went to work to ensure that adequate traceability procedures exist, including compliance with the original act's commingling provisions. These companies have told us something completely different than what the foreign manufacturers and their distributor chums have said. They tell us that the limited commingling requirements are necessary to provide better traceability of fasteners. And they also tell us the costs of putting these requirements into practice are minimal. Obviously, someone is wrong.

There is much huffing and puffing these days about the need to promote quality in all aspects of American business and government. Yet, some of the fastener amendments in this bill do just the opposite. It is a fact that the best American manufacturing and distribution companies have for many years maintained sophisticated lot control and traceability procedures for a wide array of products, including pharmaceuticals, hardware, food, and soft drinks. Yet, due to heavy lobbying by foreign fastener manufacturers and their sellers, amendments in this bill weaken quality standards and make it easier for counterfeit and substandard fasteners to make their way into American commerce and into American products.

During the multiyear investigation by the Subcommittee on Oversight and Investigations on fasteners, it was demonstrated that the most serious problems with counterfeit and substandard fasteners originated beyond our borders. The motive for making and selling such fasteners is obvious—to cut production costs and increase profits. In weakening the law today, we help makers and sellers of bad fasteners and, in the process, hurt those companies that produce quality products.

At least, enactment of these amendments should lead to promulgation of the long overdue implementing regulations by the National Institute on Standards and Technology. Despite its failure to do so during this Congress and in prior years, I would hope that NIST keep us fully apprised of its efforts to implement and enforce the Fastener Quality Act and that it act aggressively to finalize all implementing regulations as quickly as possible.

Mr. TANNER. Mr. Speaker, I have no further requests for time. I would like to thank our staff folks who have helped put this together and thank the gentlewoman from Maryland again.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN). The question is on the motion offered by the gentlewoman from Maryland [Mrs. MORELLA] that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2196.

The question was taken.

Mrs. MORELLA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

HOUSING OPPORTUNITY PROGRAM EXTENSION ACT OF 1996

Mr. LAZIO of New York. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1494) to provide an extension for fiscal year 1996 for certain program administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture, and for other purposes, as amended.

The Clerk read as follows:

S. 1494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Housing Opportunity Program Extension Act of 1996''.

SEC. 2. MULTIFAMILY HOUSING ASSISTANCE.

(a) SECTION 8 CONTRACT RENEWAL.—Notwithstanding section 405(b) of the Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 44), at the request of the owner of any project assisted under section 8(e)(2) of the United States Housing Act of 1937 (as such section existed immediately before October 1, 1991), the Secretary of Housing and Urban Development may renew, for a period of 1 year, the contract for assistance under such section for such project that expires or terminates during fiscal year 1996 at current rent levels.

(b) LOW-INCOME HOUSING PRESERVATION.—

(1) USE OF AMOUNTS.—Notwithstanding any provision of the Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 26) or any other law, the Secretary shall use the amounts described in paragraph (2) of this subsection under the authority and conditions provided in the 2d undesignated paragraph of the item relating to ''HOUSING PROGRAMS—ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING'' in title II of the bill, H.R. 2099 (104th Congress), as passed the House of Representatives on December 7, 1995; except that for purposes of this subsection, any reference in such undesignated paragraph to March 1, 1996, shall be construed to refer to April 15, 1996, any reference in such paragraph to July 1, 1996, shall be construed to refer to August 15, 1996, and any reference in such paragraph to August 1, 1996, shall be construed to refer to September 15, 1996.

(2) DESCRIPTION OF AMOUNTS.—Except as otherwise provided in any future appropriation Act, the amounts described under this paragraph are any amounts that—

(A) are—

(i) unreserved, unobligated amounts provided in an appropriation Act enacted before the date of the enactment of this Act;

(ii) provided under the Balanced Budget Downpayment Act, I; or

(iii) provided in any appropriation Act enacted after the date of the enactment of this Act; and

(B) are provided for use in conjunction with properties that are eligible for assistance under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the Emergency Low Income Housing Preservation Act of 1987.

SEC. 3. COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) DIRECT HOMEOWNERSHIP ACTIVITIES.—Notwithstanding the amendments made by section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act, section 105(a)(25) of the Housing and Community Development Act of 1974, as in existence on September 30, 1995, shall apply to the use of assistance made available under title I of the Housing and Community Development Act of 1974 during fiscal year 1996.

(b) INCREASE IN CUMULATIVE LIMIT.—Section 108(k)(1)) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(k)(1) is amended by striking ''$3,500,000,000'' and inserting ''$4,500,000,000''.

SEC. 4. EXTENSION OF RURAL HOUSING PROGRAMS.

(a) UNDERSERVED AREAS SET-ASIDE.—Section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended—

(1) in the first sentence, by striking ''fiscal years 1993 and 1994'' and inserting ''fiscal year 1996''; and

(2) in the second sentence, by striking ''each''.

(b) RURAL MULTIFAMILY RENTAL HOUSING.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1994'' and inserting ''September 30, 1996''.

(c) RURAL RENTAL HOUSING FUNDS FOR NON-PROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal years 1993 and 1994'' and inserting ''fiscal year 1996''.

SEC. 5. LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.

(a) IN GENERAL.—The provisions of section 5 of the bill, H.R. 1691 (104th Congress), as passed the House of Representatives on October 30, 1995, are hereby enacted into law.

(b) TECHNICAL AMENDMENT.—Section 538 of the Housing Act of 1949 (as added by the amendment made pursuant to subsection (a) of this section) is amended by striking ''Homesteading and Neighborhood Restoration Act of 1995'' each place it appears and inserting ''Housing Opportunity Program Extension Act of 1996''.

SEC. 6. EXTENSION OF FHA MORTGAGE INSURANCE PROGRAM FOR HOME EQUITY CONVERSION MORTGAGES.

(a) EXTENSION OF PROGRAM.—The first sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking ''September 30, 1996'' and inserting ''September 30, 2000''.

(b) LIMITATION ON NUMBER OF MORTGAGES.—The second sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking ''30,000'' and inserting ''50,000''.

(c) ELIGIBLE MORTGAGES.—Section 255(d)(3) of the National Housing Act (12 U.S.C. 1715z–20(d)(3)) is amended to read as follows:

''(3) be secured by a dwelling that is designed principally for a 1- to 4-family residence in which the mortgagor occupies 1 of the units;''.

SEC. 7. LIMITATION ON GNMA GUARANTEES OF MORTGAGE-BACKED SECURITIES.

Section 306(g)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1721(g)(2)) is amended to read as follows:

''(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to the extend of or in such amounts as any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of $110,000,000,000 during fiscal year 1996. There are authorized to be appropriated to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guarantees issued under this Act by the Association such sums as may be necessary for fiscal year 1996.''.

SEC. 8. EXTENSION OF MULTIFAMILY HOUSING FINANCE PROGRAMS.

(a) RISK-SHARING PILOT PROGRAM.—The first sentence of section 542(b)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking ''on not more than 15,000 units over fiscal years 1993 and 1994'' and inserting ''on not more than 7,500 units during fiscal year 1996''.

(b) HOUSING FINANCE AGENCY PILOT PROGRAM.—The first sentence of section 542(c)(4) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking ''on not to exceed 30,000 units over fiscal years 1993, 1994, and 1995'' and inserting ''on not more than 12,000 units during fiscal year 1996''.

SEC. 9. SAFETY AND SECURITY IN PUBLIC AND ASSISTED HOUSING.

(a) CONTRACT PROVISIONS AND REQUIREMENTS.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended—

(1) in subsection (k), in the matter following paragraph (6)—

(A) by striking ''on or near such premises'' and inserting ''on or off such premises''; and

(B) by striking ''criminal'' the first place it appears; and

(2) in subsection (l)(5), by striking ''on or near such premises'' and inserting ''on or off such premises''.

(b) AVAILABILITY OF CRIMINAL RECORDS FOR SCREENING AND EVICTION.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsection:

''(q) AVAILABILITY OF RECORDS.—

''(1) IN GENERAL.—

''(A) PROVISION OF INFORMATION.—Notwithstanding any other provision of law, except as provided in subparagraph (B), the National Crime Information Center, police departments, and other law enforcement agencies shall, upon request, provide information to public housing agencies regarding the criminal conviction records of adult applicants for, or tenants of, public housing for purposes of applicant screening, lease enforcement, and eviction.

''(B) EXCEPTION.—A law enforcement agency described in subparagraph (A) shall provide information under this paragraph relating to any criminal conviction of a juvenile only to the extent that the release of such information is authorized under the law of the applicable State, tribe, or locality.

''(2) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with regard to assistance under this title on the basis of a criminal record, the public housing agency shall provide the tenant or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

''(3) FEE.—A public housing agency may be charged a reasonable fee for information provided under paragraph (1).

''(4) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record received by the public housing agency is—

''(A) maintained confidentially;

''(B) not misused or improperly disseminated; and

''(C) destroyed, once the purpose for which the record was requested has been accomplished.

''(5) DEFINITION.—For purposes of this subsection, the term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.''

(c) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG-RELATED ACTIVITY.—Section 6 of the United States Housing Act of 1937 is amended by adding after subsection (q) (as added by subsection (b) of this section) the following new subsection:

''(r) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG-RELATED ACTIVITY.—Any tenant evicted from housing assisted under this title by reason of drug-related criminal activity (as that term is defined in section 8(f)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).''.

(d) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS FOR ASSISTED HOUSING.—Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended—

(1) in the section heading by striking ''INCOME''; and

(2) by adding at the end the following new subsection:

''(e) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units and assistance under section 8—

''(A) that prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person—

''(i) who the public housing agency determines is illegally using a controlled substance; or

''(ii) if the public housing agency determines that it has reasonable cause to believe that such person's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, may

interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents of the project; and

''(B) that allow the public housing agency to terminate the tenancy in any public housing unit of, and the assistance under section 8 for, any person—

''(i) who the public housing agency determines is illegally using a controlled substance; or

''(ii) whose illegal use of a controlled substance, or whose abuse of alcohol, is determined by the public housing agency to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents of the project.

''(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1), to deny occupancy or assistance to any person based on a pattern of a controlled substance or a pattern of abuse of alcohol, a public housing agency may consider whether such person—

''(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

''(B) has otherwise been rehabilitated successfully and is no longer in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

''(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

''(3) INAPPLICABILITY TO INDIAN HOUSING.—This subsection does not apply to any dwelling unit assisted by an Indian housing authority.''.

SEC. 10. PUBLIC HOUSING DESIGNATED FOR ELDERLY AND DISABLED FAMILIES.

(a) AUTHORITY FOR DESIGNATION.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended to read as follows:

''DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES

''SEC. 7. (a) AUTHORITY TO PROVIDE DESIGNATED HOUSING.—

''(1) IN GENERAL.—Subject only to provisions of this section and notwithstanding any other provision of law, a public housing agency for which a plan under subsection (d) is in effect may provide public housing projects (or portions of projects) designated for occupancy by (A) only elderly families, (B) only disabled families, or (C) elderly and disabled families.

''(2) PRIORITY FOR OCCUPANCY.—In determining priority for admission to public housing projects (or portions of projects) that are designated for occupancy as provided in paragraph (1), the public housing agency may make units in such projects (or portions) available only to the types of families for whom the project is designated.

''(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a public housing agency determines that there are insufficient numbers of elderly families to fill all the units in a project (or portion of a project) designated under paragraph (1) for occupancy by only elderly families, the agency may provide that near-elderly families may occupy dwelling units in the project (or portion).

''(b) STANDARDS REGARDING EVICTIONS.—Except as provided in section 16(e)(1)(B), any tenant who is lawfully residing in a dwelling unit in a public housing project may not be evicted or otherwise required to vacate such unit because of the designation of the project (or portion of a project) pursuant to this section or because of any action taken by the Secretary or any public housing agency pursuant to this section.

''(c) RELOCATION ASSISTANCE.—A public housing agency that designates any existing project or building, or portion thereof, for occupancy as provided under subsection (a)(1) shall provide, to each person and family who agrees to be relocated in connection with such designation—

''(1) notice of the designation and an explanation of available relocation benefits, as soon as is practicable for the agency and the person or family;

''(2) access to comparable housing (including appropriate services and design features), which may include tenant-based rental assistance under section 8, at a rental rate paid by the tenant that is comparable to that applicable to the unit from which the person or family has vacated; and

''(3) payment of actual, reasonable moving expenses.

''(d) REQUIRED PLAN.—A plan under this subsection for designating a project (or portion of a project) for occupancy under subsection (a)(1) is a plan, prepared by the public housing agency for the project and submitted to the Secretary, that—

''(1) establishes that the designation of the project is necessary—

''(A) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act; and

''(B) to meet the housing needs of the low-income population of the jurisdiction; and

''(2) includes a description of—

''(A) the project (or portion of a project) to be designated;

''(B) the types of tenants for which the project is to be designated;

''(C) any supportive services to be provided to tenants of the designated project (or portion);

''(D) how the design and related facilities (as such term is defined in section 202(d)(8) of the Housing Act of 1959) of the project accommodate the special environmental needs of the intended occupants; and

''(E) any plans to secure additional resources or housing assistance to provide assistance to families that may have been housed if occupancy in the project were not restricted pursuant to this section.

For purposes of this subsection, the term 'supportive services' means services designed to meet the special needs of residents.

''(e) REVIEW OF PLANS.—

''(1) REVIEW AND NOTIFICATION.—The Secretary shall conduct a limited review of each plan under subsection (d) that is submitted to the Secretary to ensure that the plan is complete and complies with the requirements of subsection (d). The Secretary shall notify each public housing agency submitting a plan whether the plan complies with such requirements not later than 60 days after receiving the plan. If the Secretary does not notify the public housing agency, as required under this paragraph or paragraph (2), the plan shall be considered, for purposes of this section, to comply with the requirements under subsection (d) and the Secretary shall be considered to have notified the agency of such compliance upon the expiration of such 60-day period.

''(2) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under subsection (d), the Secretary shall specify in the notice under paragraph (1) the reasons for the noncompliance and any modifications necessary for the plan to meet such requirements.

''(3) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan does not comply with the requirements under subsection (d) only if—

''(A) the plan is incomplete in significant matters required under such subsection; or

''(B) there is evidence available to the Secretary that challenges, in a substantial manner, any information provided in the plan.

''(4) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this section, a public housing agency shall be considered to have submitted a plan under this subsection if the agency has submitted to the Secretary an application and allocation plan under this section (as in effect before the date of the enactment of the Housing Opportunity Program Extension Act of 1996) that have not been approved or disapproved before such date of enactment.

''(f) EFFECTIVENESS.—

''(1) 5-YEAR EFFECTIVENESS OF ORIGINAL PLAN.—A plan under subsection (d) shall be in effect for purposes of this section during the 5-year period that begins upon notification under subsection (e)(1) of the public housing agency that the plan complies with the requirements under subsection (d).

''(2) RENEWAL OF PLAN.—Upon the expiration of the 5-year period under paragraph (1) or any 2-year period under this paragraph, an agency may extend the effectiveness of the designation and plan for an additional 2-year period (that begins upon such expiration) by submitting to the Secretary any information needed to update the plan. The Secretary may not limit the number of times a public housing agency extends the effectiveness of a designation and plan under this paragraph.

''(3) TRANSITION PROVISION.—Any application and allocation plan approved under this section (as in effect before the date of the enactment of the Housing Opportunity Program Extension Act of 1996) before such date of enactment shall be considered to be a plan under subsection (d) that is in effect for purposes of this section for the 5-year period beginning upon such approval.

''(g) INAPPLICABILITY OF UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITIONS POLICY ACT OF 1970.—No tenant of a public housing project shall be considered to be displaced for purposes of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 because of the designation of any existing project or building, or portion thereof, for occupancy as provided under subsection (a) of this section.

''(h) INAPPLICABILITY TO INDIAN HOUSING.—The provisions of this section shall not apply with respect to low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.''.

''(b) AUTHORIZATION OF APPROPRIATIONS FOR IMPLEMENTATION OF ALLOCATION PLANS.—There are authorized to be appropriated for fiscal year 1996 such sums as may be necessary for rental subsidy contracts under the existing housing certificate and housing voucher programs under section 8 of the United States Housing Act of 1937 for public housing agencies to implement allocations plans for designated housing under section 7 of such Act that are approved by the Secretary of Housing and Urban Development.

SEC. 11. ASSISTANCE FOR HABITAT FOR HUMANITY AND OTHER SELF-HELP HOUSING PROVIDERS.

''(a) GRANT AUTHORITY.—The Secretary of Housing and Urban Development may, to the extent amounts are available to carry out this section and the requirements of this section are met, make grants for use in accordance with this section to—

(1) Habitat for Humanity International, whose organizational headquarters are located in Americus, Georgia; and

(2) other national or regional organizations or consortia that have experience in providing or facilitating self-help housing homeownership opportunities.

(b) GOALS AND ACCOUNTABILITY.—In making grants under this section, the Secretary

shall take such actions as may be necessary to ensure that—

(1) assistance provided under this section is used to facilitate and encourage innovative homeownership opportunities through the provision of self-help housing, under which the homeowner contributes a significant amount of sweat equity toward the construction of the new dwelling;

(2) assistance provided under this section for land acquisition and infrastructure development results in the development of not less than 4,000 new dwellings;

(3) the dwellings constructed in connection with assistance provided under this section are quality dwellings that comply with local building and safety codes and standards and are available at prices below the prevailing market prices;

(4) the provision of assistance under this section establishes and fosters a partnership between the Federal Government and Habitat for Humanity International, its affiliates, and other organizations and consortia, resulting in efficient development of affordable housing with minimal governmental intervention, limited governmental regulation, and significant involvement by private entities;

(5) activities to develop housing assisted pursuant to this section involve community participation similar to the homeownership program carried out by Habitat for Humanity International, in which volunteers assist in the construction of dwellings; and

(6) dwellings are developed in connection with assistance under this section on a geographically diverse basis, which includes areas having high housing costs, rural areas, and areas underserved by other homeownership opportunities that are populated by low-income families unable to otherwise afford housing.

If, at any time, the Secretary determines that the goals under this subsection cannot be met by providing assistance in accordance with the terms of this section, the Secretary shall immediately notify the applicable Committees in writing of such determination and any proposed changes for such goals or this section.

(c) ALLOCATION.—Of any amounts available for grants under this section—

(1) 62.5 percent shall be used for a grant to the organization specified in subsection (a)(1); and

(2) 37.5 percent shall be used for grants to organizations and consortia under subsection (a)(2).

(d) USE.—

(1) PURPOSE.—Amounts from grants made under this section, including any recaptured amounts, shall be used only for eligible expenses in connection with developing new decent, safe, and sanitary nonluxury dwellings in the United States for families and persons who otherwise would be unable to afford to purchase a dwelling.

(2) ELIGIBLE EXPENSES.—For purposes of paragraph (1), the term ''eligible expenses'' means costs only for the following activities:

(A) LAND ACQUISITION.—Acquiring land (including financing and closing costs).

(B) INFRASTRUCTURE IMPROVEMENT.—Installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure.

Such term does not include any costs for the rehabilitation, improvement, or construction of dwellings.

(e) ESTABLISHMENT OF GRANT FUND.—

(1) IN GENERAL.—Any amounts from any grant made under this section shall be deposited by the grantee organization or consortium in a fund that is established by such organization or consortium for such amounts, administered by such organization or consortium, and available for use only for the purposes under subsection (d). Any interest, fees, or other earnings of the fund shall be deposited in the fund and shall be considered grant amounts for purposes of this section.

(2) ASSISTANCE TO HABITAT FOR HUMANITY AFFILIATES.—Habitat for Humanity International may use amounts in the fund established for such organization pursuant to paragraph (1) for the purposes under subsection (d) by providing assistance from the fund to local affiliates of such organization.

(f) REQUIREMENTS FOR ASSISTANCE TO OTHER ORGANIZATIONS.—The Secretary may make a grant to an organization or consortium under subsection (a)(2) only pursuant to—

(1) an expression of interest by such organization or consortia to the Secretary for a grant for such purposes;

(2) a determination by the Secretary that the organization or consortia has the capability and has obtained financial commitments (or has the capacity to obtain financial commitments) necessary to—

(A) develop not less than 30 dwellings in connection with the grant amounts; and

(B) otherwise comply with a grant agreement under subsection (i); and

(3) a grant agreement entered into under subsection (i).

(g) TREATMENT OF UNUSED AMOUNTS.—Upon the expiration of the 6-month period beginning upon the Secretary first providing notice of the availability of amounts for grants under subsection (a)(2), the Secretary shall determine whether the amount remaining from the aggregate amount reserved under subsection (c)(2) exceeds the amount needed to provide funding in connection with any expressions of interest under subsection (f)(1) made by such date that are likely to result in grant agreements under subsection (i). If the Secretary determines that such excess amounts remain, the Secretary shall provide the excess amounts to habitat for Humanity International by making a grant to such organization in accordance with this section.

(h) GEOGRAPHICAL DIVERSITY.—In using grant amounts provided under subsection (a)(1), Habitat for Humanity International shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such amounts. In making grants under subsection (a)(2), the Secretary shall ensure that grants are provided and grant amounts are used in a manner that results in national geographic diversity among housing developed using grant amounts under this section.

(i) GRANT AGREEMENT.—A grant under this section shall be made only pursuant to a grant agreement entered into by the Secretary and the organization or consortia receiving the grant, which shall—

(1) require such organization or consortia to use grant amounts only as provided in this section;

(2) provide for the organization or consortia to develop a specific and reasonable number of dwellings using the grant amounts, which number shall be established taking into consideration costs and economic conditions in the areas in which the dwellings will be developed, but in no case shall be less than 30;

(3) require the organization or consortia to use the grant amounts in a manner that leverages other sources of funding (other than grants under this section), including private or public funds, in developing the dwellings;

(4) require the organization or consortia to comply with the other provisions of this section;

(5) provide that if the organization or consortia has not used any grant amounts within 24 months after such amounts are first disbursed to the organization or consortia, the Secretary shall recapture such unused amounts; and

(6) contain such other terms as the Secretary may require to provide for compliance with subsection (b) and the requirements of this section.

(j) FULFILLMENT OF GRANT AGREEMENT.—If the Secretary determines that an organization or consortia awarded a grant under this section has not, within 24 months after grant amounts are first made available to the organization or consortia, substantially fulfilled the obligations under the grant agreement, including development of the appropriate number of dwellings under the agreement, the Secretary shall use any such undisbursed amounts remaining from such grant for other grants in accordance with this section.

(k) RECORDS AND AUDITS.—During the period beginning upon the making of a grant under this section and ending upon close-out of the grant under subsection (l)—

(1) the organization awarded the grant under subsection (a)(1) or (a)(2) shall keep such records and adopt such administrative practices as the Secretary may require to ensure compliance with the provisions of this section and the grant agreement; and

(2) the Secretary and the Comptroller General of the United States, and any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the grantee organization or consortia and its affiliates that are pertinent to the grant made under this section.

(l) CLOSE-OUT.—The Secretary shall close out a grant made under this section upon determining that the aggregate amount of any assistance provided from the fund established under subsection (e)(1) by the grantee organization or consortium exceeds the amount of the grant. For purposes of this paragraph, any interest, fees, and other earnings of the fund shall be excluded from the amount of the grant.

(m) ENVIRONMENTAL REVIEW.—A grant under this section shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994.

(n) REPORT TO CONGRESS.—Not later than 90 days after close-out of all grants under this section is completed, the Secretary shall submit a report to the applicable Committees describing the grants made under this section, the grantees, the housing developed in connection with the grant amounts, and the purposes for which the grant amounts were used.

(o) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICABLE COMMITTEES.—The term ''applicable Committees'' means the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(3) UNITED STATES.—The term ''United States'' includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(p) REGULATIONS.—The Secretary shall issue any final regulations necessary to carry out this section not later than 30 days after the date of the enactment of this Act. The regulations shall take effect upon issuance and may not exceed, in length, 5 full pages in the Federal Register.

SEC. 12. FUNDING FOR SELF-HELP HOUSING ASSISTANCE, NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM, AND CAPACITY BUILDING THROUGH NATIONAL COMMUNITY DEVELOPMENT INITIATIVE.

(a) AUTHORITY TO USE ASSISTED HOUSING AMOUNTS.—To the extent and for the purposes specified in subsection (b), the Secretary of Housing and Urban Development may use amounts in the account of the Department of Housing and Urban Development known as the Annual Contributions for Assisted Housing account, but only such amounts which—

(1) have been appropriated for a fiscal year that occurs before the fiscal year for which the Secretary uses the amounts; and

(2) have been obligated before becoming available for use under this section.

(b) FISCAL YEAR 1996.—Of the amounts described in subsection (a), $60,000,000 shall be available to the Secretary of Housing and Urban Development for fiscal year 1996 in the following amounts for the following purposes:

(1) SELF-HELP HOUSING ASSISTANCE.—$40,000,000 for carrying out section 11 of this Act.

(2) NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM.—$10,000,000 for carrying out section 930 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3887).

(3) CAPACITY BUILDING THROUGH NATIONAL COMMUNITY DEVELOPMENT INITIATIVE.—$10,000,000 for carrying out section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note).

SEC. 13. APPLICABILITY AND IMPLEMENTATION.

(a) APPLICABILITY.—This Act and the amendments made by this Act shall be construed to have become effective on October 1, 1995.

(b) IMPLEMENTATION.—The amendments made by sections 9 and 10 shall apply as provided in subsection (a) of this section, notwithstanding the effective date of any regulations issued by the Secretary of Housing and Urban Development to implement such amendments or any failure by the Secretary to issue any such regulations.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. LAZIO] and the gentleman from Massachusetts [Mr. KENNEDY] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Let me begin by thanking my friend and colleague, the ranking member of the Subcommittee on Housing and Community Opportunity, the gentleman from Massachusetts [Mr. KENNEDY], for his cooperation and work in trying to bring these extenders to the floor.

Mr. Speaker, S. 1494, the Housing Opportunity Program Extension Act of 1996, is an important bill and, with the amendment being offered by the Banking Committee, will avoid inappropriate and unnecessary hardship.

The Senate passed this legislation on January 24, 1996, to provide guidance to the administration and extend programs left in question following President Clinton's veto of H.R. 2099, the VA–HUD and Independent Agencies Appropriations Act. Although the Senate initiatives are well intentioned, it is important that the legislation address initiatives that the House has already passed earlier in this Congress. S. 1494 includes provisions similar to those included in H.R. 117, which passed on October 24, 1995, with a recorded vote of 415 to 0. Other provisions of S. 1494 incorporate initiatives from H.R. 1691 passed by voice vote under suspension just 6 days later.

Our amendment to S. 1494 recognizes the efforts of several Members of this House, such as Congressman BLUTE and Congressman NEY, whose hard work on H.R. 117 helped bring about stronger protection for older Americans in our Nation's public housing system.

In his State of the Union Address, the President said he would like to see a one-strike-and-you're-out policy against violent criminals in public housing. While we appreciate his leadership, this bill makes clear that we shouldn't have to wait until there has been an attack on a senior citizen or defenseless family. We should take steps to protect seniors before criminals are allowed into public housing. Criminals shouldn't even get up to bat, let alone be able to take a swing and strike out. Simply calling a criminal out after one strike means that there has been one more innocent victim to crime and violence in public housing. Like H.R. 117, this amendment enables housing authorities to designate facilities as ''elderly only'' and prohibit occupancy by individuals who are disabled solely because of alcohol or drug abuse.

The amendment also includes another important initiative from H.R. 117 reauthorizing the very successful Home Equity Conversion Mortgage Program, which allows seniors to hold on to their homes and stay in their neighborhoods. Our amendment increases the number of HECM loans available to older Americans from 30,000 to 50,000 through the year 2000.

As amended, this bill reauthorizes the section 515 rural multifamily housing program, a crucial tool for rural communities to house needy families. Though this program received funds through the Agriculture Appropriations Act of fiscal year 1996, its authorization has expired. This bill allows the money, which has already been appropriated, to be spent for low-income rural families.

Under our amendment we also add a new, innovative rural rental loan guarantee program authored by the vice chairman of the Housing Subcommittee, Mr. BEREUTER, and included H.R. 1691. This program has also received an appropriation but cannot operate without authorization. It is an example of the direction we as a government should be going—providing housing loans in partnership with the private sector, rather than direct loans.

I am well aware of concerns that my distinguished friend from Illinois, Congressman DURBIN, has raised with regard to reforming the section 515 program. We all share his concern that the use of Federal dollars should be carefully scrutinized. I applaud the Department of Agriculture's efforts with regard to reforms in section 515 even absent legislation. I assure the Members that any unresolved issues will be dealt with once the Senate has held hearings and debated the matter. I am comfortable authorizing this program for the balance of fiscal year 1996 because of USDA's efforts and because this program is crucial to thousands of low-income families in rural areas who need housing now.

This amendment also changes the Senate bill to support Habitat for Humanity's tremendously successful self-help volunteer housing program. As originally included in H.R. 1691, Habitat will receive a reprogramming of previously appropriated HUD funds for land acquisition and infrastructure needs to support low-income homeownership. This amendment supports Habitat and other self-help housing entities to do their work more effectively and still maintain the essential character of their initiatives.

The House amendment extends Housing Finance Agency Risk-Sharing Pilot Program to 2,000 more units than the Senate's 10,000 and also extends risk-sharing programs with Government sponsored enterprises.

The amendment gives the Secretary of HUD the discretion to renew section 8 moderate rehabilitation contracts as they expire and provides better guidance to the Secretary to operate low-income housing preservation programs as included in H.R. 2099. Although the most recent continuing resolution, H.R. 2088, the Balanced Budget Downpayment Act, provides generally the Government National Mortgage Association pay commitment authority through March 15, 1996, the committee believes that it is more fiscally responsible to our Nation's homeowners to allow GNMA to operate throughout the fiscal year of 1996. The GNMA secondary market function is an integral part of the FHA program.

Without this consistency, it is possible that GNMA may be unable to assist the single family housing markets, particularly for first-time home buyers throughout our Nation. S. 1494 reauthorizes the community development home ownership assistance program, encouraging local governments to develop their own communities.

Mr. Speaker, this legislation and the House amendment was crafted in a bipartisan fashion. I urge my colleagues to support both the amendment and the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I want to thank my good friend, the gentleman from New York [Mr. LAZIO], for the efforts that he has made in trying to

achieve a reasonable sense of balance in terms of extending the authorizations on a number of programs that do a great deal of public good in terms of public housing policy. I appreciate the efforts that he made in taking care of some of the concerns that we had on the Democratic side. I think that his efforts, in particular, with regard to the preservation program, which is an enormously important program affecting literally hundreds of thousands of low-income tenants that without, I believe, Mr. LAZIO's efforts in particular, could have suffered a very, very difficult fate in terms of being thrown out of their apartments as a result of some shortsighted legislation that was passed decades ago that gave landlords the capability of removing lower-income tenants from those buildings once a 20- or 30-year period had passed. Without Mr. LAZIO's individual leadership, I do not think we would have secured the funding that we needed. I very much appreciate the efforts that he made.

I also want to commend the portions of this legislation that Members on both sides of the aisle, the gentleman from Virginia, Mr. MORAN, the gentlemen from Massachusetts, Mr. BLUTE and Mr. FRANK, and others have made in terms of making certain that we have public housing that protects people from drug dealers and others that have disrupted particularly senior public housing from the protections that they need.

We also have provisions in this legislation that continues innovative and creative programs such as the community development block grant home ownership program and the expanded economic development loan authority which is a very creative loan program using CDBG funds over the long term to provide much-needed affordable housing.

As we have seen the affordable housing budget in this country be dramatically reduced, it becomes more and more important that we allow community development corporations, a range of nonprofit builders and others to use the innovative and creative mechanisms that the financiers have come up with to fill the void that has been created.

I think that Mr. LAZIO is making an effort to try to achieve that. There are a number of circumstances where I think we have not gone far enough. I would like to mention a couple of those programs.

First, we need to make certain rent reforms, certain rent reforms so that moderate-income tenants can stay in preservation projects. Existing law has the unintended effect of charging these tenants rents that are higher than what they could get in apartments across the street. HUD is aware of the problem and agrees it has got to be solved. I hope we could get a commitment from the gentleman from New York [Mr. LAZIO] to be able to work on that in some other piece of legislation that might come up shortly.

Mr. LAZIO of New York. Mr. Speaker, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Speaker, I know the gentleman has been in communication with the staff on this and with myself, and I appreciate his advocacy efforts on behalf of low-income, moderate-income people. We will be working with the gentleman to try and meet the concerns that he has.

Mr. KENNEDY of Massachusetts. Mr. Speaker, the second issue would be also seeking a small change in the preservation law to allow landlords of State-financed projects who have prepaid their Federal mortgages to try to get back into the program if they choose. I am afraid that a number of such owners have already prepaid those mortgages when it was unclear that any funds would become available. In other words, prior to the time that Mr. LAZIO made the efforts to actually get this program funded, a number of landlords prepaid. Those tenants are very much at risk and there are a number of tenants that exist in my own district and around other States that are facing imminent displacement and being thrown out of their homes.

If we could take care of that, I know that the gentleman tried very hard and we ran into problems on the Senate side. If the gentleman could briefly indicate that this would be something that he would support as well.

Mr. LAZIO of New York. Mr. Speaker, if the gentleman will continue to yield, I would say that again I appreciate the gentleman's concerns on this. We have been working with the department, HUD, and with the Senate to try and come up with some solution that would be agreeable to all parties. We will continue to work with the gentleman on this issue.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I thank the gentleman very much.

I want to say to my good friend, the gentleman from Illinois, Mr. DURBIN, that I am very sorry that Mr. LAZIO was unable, although he tried to accommodate the concerns that Mr. DURBIN has raised very effectively in his role on the Committee on Appropriations with regard to the 515 rural housing program. It is a program that has been rife with problems, rip-offs, and troubles that Mr. DURBIN has done a tremendous amount of work in trying to reform. Those reforms have been included in legislation that this House has accepted in times past. Yet for some reason that I cannot understand, they were excluded from this bill.

It makes no sense. I understand that the gentleman from Illinois [Mr. DURBIN] is going to have more to say about his opposition to this bill as a result of the fact that those reforms were not included.

Again, I think that the overall importance of many of the programs that are being reauthorized is overwhelmingly in favor of this bill. I appreciate again the efforts that the gentleman has made. I want to thank the gentleman and the members of his staff and the members of our staff as well for the efforts that they have made.

Mr. Speaker, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to again thank the gentleman from Massachusetts [Mr. KENNEDY] for his kind remarks and for his cooperation on this.

I include for the RECORD, Mr. Speaker, a section-by-section analysis regarding S. 1494, as amended:

S. 1494 HOUSING OPPORTUNITY PROGRAM EXTENSION ACT OF 1995

SECTION-BY-SECTION ANALYSIS OF HOUSE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO S. 1494

Sec. 1. Title: Housing Opportunity Program Extension Act of 1995

Sec. 2. Multifamily housing assistance

(a) Provides discretionary authority to the HUD Secretary to renew, for one year, expiring Sec. 8 moderate rehabilitation project-based rental assistance contracts.

(b) Provides discretionary authority to the HUD Secretary to operate the preservation program as passed the House in title II of H.R. 2099 (VA/HUD Appropriations Conference Bill) on December 7, 1995.

Sec. 3. Community development block grant eligible activities

(a) Amends Sec. 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act by extending as an eligible activity, homeownership programs under CDBG.

(b) Replace Section 108 Loan Guarantee Aggregate Limit. In addition to the annual loan limitations for the section 108 loan guarantee program set forth in appropriations Acts, current law places an aggregate limit on the cumulative amount of outstanding loans extended under the section 108 program. This limit is $3.5 billion. The Department will soon hit this limitation. Hence, this provision would increase the aggregate loan limit to $4.5 billion. This provision does not alter the annual loan limitations set forth in Appropriations Acts.

Sec. 4. Extension of rural housing programs

Authorizes a rural rental multifamily housing direct loan program (Sec. 515 of the Housing Act of 1949) and extends set-asides within the Sec. 515 program for nonprofit sponsors and underserved areas; this program's previously appropriated funds, provided through the enacted Agriculture Appropriations Act of FY 96, are contingent on authorization.

Sec. 5. Loan guarantees for multifamily rental housing in rural areas

Authorizes a rural rental multifamily housing loan guarantee program, as contained in H.R. 1691, which the House passed on October 30, 1995; this program's previously appropriated funds, provided through the enacted Agriculture Appropriations Act of FY 96, are contingent on authorization.

Sec. 6. Extension of FHA mortgage insurance program for home equity conversion mortgages

Authorizes and extends the HECM program through September 30, 2000, as passed by the House through H.R. 117 on October 24, 1995; increases the mortgage insurance authority to a maximum of 50,000 units; and, extends eligibility to 1–4 family owner-occupied units.

Sec. 7. GNMA guarantees of mortgage-backed securities

Amends Sec. 306(g)(2) of the National Housing Act by providing an authorization of commitment authority to the Government National Mortgage Association (GNMA) at $110 billion for FY 96.

Sec. 8. Extension of multifamily housing finance programs

Amends Sec. 542(b)(5) of the Housing and Community Development Act of 1992 by extending the FHA multifamily mortgage insurance risk-sharing demonstration through FY 96 and provides authority to insure, under the demonstration, up to 7,500 units. Additionally, Sec. 542(c)(4) of HCDA of 1992 is amended by providing authority to the Housing Finance Agencies to enter FHA risk-sharing agreements up to 12,000 units.

Sec. 9. Safety and security in public and assisted housing

Amends Sec. 6 of the U.S. Housing Act of 1937 to require housing authorities to provide occupancy standards and an expedited grievance procedure for the eviction of tenants, in public housing and other assisted projects, who have a pattern of drug or alcohol abuse.

Sec. 10. Public housing designated for elderly and disabled families

Amends Sec. 7 of the U.S. Housing Act of 1937 to streamline procedures for public housing authorities to designate public housing facilities as ''elderly only'', ''disabled only,'' or ''elderly and disabled families only.'' Additionally, this provision provides authority to evict residents in these designated facilities whose pattern of drug and alcohol abuse would jeopardize the safety and security of the elderly and disabled residents. Authorizes such sums as may be appropriated for FY 96 for public housing agencies to implement plans approved by the Secretary for designated housing.

Sec. 11. Assistance for habitat for humanity and other self-help housing providers

Incorporates H.R. 1691, Sec. 2, which passed the House on October 30, 1995 by providing for a self-help housing program for HUD to provide grants to capable non-profit organizations, including Habitat-for-Humanity. Grant funds must be used for the payment of land and infrastructure costs of single family structures built entirely with donations and contributions of products, volunteer labor and the prospective borrower's sweat equity.

Sec. 12. Funding for self-help housing assistance, national cities in schools community development program, and capacity building through national community development initiative

Provides authority to use $60 million in appropriation amounts from previous fiscal years to fund (1) self-help housing (Sec. 9) at $40 million (Habitat-for-Humanity at $25 million and other Self-Help Housing Groups at $15 million), (2) National Cities in Schools Communities at $10 million, and (3) Capacity Building through the National Community Development Initiative (Sec. 4 of the HUD Demonstration Act of 1993) at $10 million.

Sec. 13. Applicability

Construes effectiveness as of October 1, 1995 and makes sections 9 and 10 of this Act self-executing.

Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from California [Mr. DREIER], a member of the Committee on Rules and one of our great legislative thinkers.

Mr. DREIER. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding, and I would simply rise and congratulate him and the gentleman from Iowa [Mr. LEACH], and others who have played a key role in this legislation.

Mr. Speaker, this is a very important day because it marks another success for a concept that Speaker GINGRICH put forward early on in this Congress, that being the establishment of Corrections Day. We know that there are a great many laws and regulations which are absolutely preposterous, and Speaker GINGRICH offered the proposal to establish a Corrections Day, and so far we have, out of this House, passed 11 items under the Corrections Day Calendar. Four have passed both the House and Senate and become public law. If the Senate agrees with this measure that is before us, it will be the fifth, and I believe that we have been able to work with our Corrections Day Advisory Group in a bipartisan way, and that is very, very great testimony to the effort that has come from both Democrats and Republicans in dealing with this question.

Obviously the issue that has been addressed here is one that has been very near and dear to me. Six years ago I introduced legislation dealing with the issue of drug dealers and public housing, and this specifically goes at the question of the elderly and those who have been tragically victimized, and I believe that the entire package that has been brought forward here will go a long way toward addressing that and other major concerns, and I would simply like to congratulate the subcommittee and the gentleman from New York, Chairman LAZIO and the gentleman from Massachusetts, Mr. KENNEDY, the ranking member, and others who have been involved in this and look forward to another great Corrections Day success here.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, public housing and the public financed housing is an important part of the life of many American families. In Chicago and in the State of Illinois I have become more closely acquainted with the challenges facing us, not only in the housing, but also in our responsibility as landlords in public housing.

Mr. Speaker, this is a good bill. Most of the bill I think is very positive, and I salute the gentleman from New York for bringing it to the floor. But I would, at the same time, suggest to all of my colleagues, having said that, that they should vote against this bill, and the reason they should vote against it is very simple.

There is one section of this bill, one section of this bill, which is shameful. In 1994, the appropriations subcommittee which I chaired sent congressional investigators across the country to examine reported abuses in a housing program known as section 515. This is a program where the Federal Government literally creates inducements for developers to build multifamily housing in rural areas and, let me add, rural areas could be the suburbs of major cities under the definitions of this bill. They are literally across the United States, and at this time under section 515 there are 16,700 projects and over 440,000 units. This is a big program, and when the investigators took a look at it, they found the administration of this program under existing law is nothing short of scandalous, scandalous in the following respects;

We are building these units where they are not needed. Developers come in with political and financial clout and roll the Department of Agriculture into forcing the construction of units where they want to build them. Many times we know as soon as the first shovel hits the ground that building is going to fail and the taxpayers are going to end up holding the bag, but we are stuck with it because of the current law.

And then you know what happens? We find out that when the project fails a lot of the owners like to transfer the project to some other owner. You know what happens in the process? Uncle Sam does not get paid. The taxpayers lose. There is a default.

In our investigation we found in 47 different properties and several States taxpayers lost over $10.5 million because the money was transferred, the loan was transferred, and the remaining corporation was judgment proof, taxpayers left holding the bag, another element in the scandal.

And that is not all. Let me tell you this is a very lucrative deal for developers. You know what percentage interest we pay on our home mortgage; what is it 9 percent, 10, 12? You know what they pay to build these buildings at taxpayer expense? One percent mortgages. What a deal. And then we give them a wonderful tax credit to boot.

So these developers have a cash cow to build buildings where they are not needed and, when they default on them, to leave Uncle Sam and the taxpayers holding the bag.

We verified this State after State, all across the Nation, presented it to the Committee on Banking and Financial Services and to the Subcommittee on Housing and Financial Services and said clean up this mess. At a time when we are cutting spending for education, when we are cutting spending on Medicare, how can we justify wasting millions of dollars on this boondoggle?

Do you know what the Subcommittee on Housing and Financial Services said to the Committee on Appropriations? You are right. You are right. We need to change the law. And they did. And they brought it in. And we passed it with an overwhelming vote. And we were moving in the right direction to clean up the program, provide the housing.

But guess what happens today? Along comes the bill and reauthorizes the old program. This bums out again. They are going to be out there with the developers running taxpayers around the

track with wasteful projects wasting our tax dollars because of this bill.

I say to the gentleman from New York, he was right the first time. The reforms were needed. Why did he surrender? Why did he give up? How can he justify in this day and age with this deficit walking away from reforms? How can he justify asking the taxpayers to hold the bag so that developers would come in and scam us again and again and again? His bill has a notable deficiency here, and I yield to my friend from New York.

Mr. LAZIO of New York. Mr. Speaker, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Speaker, I appreciate the courtesy of the gentleman.

Let me respond if I can, first, by expressing great sympathy for the gentleman's frustration. Obviously I share the same perspective that he has because I have helped shepherd this legislation to the floor and move it through the House. If we were dealing with only a House-passed version and did not have to deal with the other body, we would have no problem, the reforms would be in place.

Mr. DURBIN. Can I say to my friend from New York thank you, but I do not want your sympathy. I would like to see the reform. I really think at a time when taxpayers are being told that we are going to mind their dollars carefully, that we are doing to tighten the belt here, we are not going to let people rip off things. There is no excuse by saying the Senate does not like our reforms. That is not good enough.

I mean the bottom line is we are going to lose millions of dollars, folks. This is a mini-mini version of a savings and loan scandal where taxpayers end up holding the bag when these properties fail, and this bill allows it to continue.

But I say to my colleagues in the House, for all of the things in the bill, defeat it today because a section 515 scandal will continue. We will see it on ''60 Minutes.'' We will see it on ''20/20.'' We will see it on ''Prime Time.'' And after this speech it is not good enough to say, oh, I did not know it was in there. It is in there, the section 515 scandal is in there, and unless the gentleman from New York [Mr. LAZIO] puts the reforms in place to clean it up taxpayers are going to be left holding the bag.

Vote ''no'' on this bill.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE] who was a wonderful advocate of section 117 and of all seniors throughout the Nation.

Mr. BLUTE. Mr. Speaker, I want to commend the gentleman from Iowa, Chairman LEACH, and the gentleman from New York, Chairman LAZIO, for bringing this important bill before the House, and recognize the work of my distinguished colleagues from Massachusetts, Representatives KENNEDY and FRANK, and say that this is a very good bill that this House should pass today.

I would also like to commend to the House the amendment to this bill that will include provisions of a bill that passed the House, the Senior Citizens Housing Safety and Economic Relief Act, last October under the Corrections Day Calendar by a vote of 415 to nothing.

This legislation seeks to right a serious wrong. Today, senior citizens in America are living in fear, not just because of crime on the streets but because of crime in their own homes. As a result of an act of this House back in the late 1980's, drug and alcohol abusers are permitted to live in housing developments designated for the elderly.

I want to remind the House of some of the testimony that we heard in the committee and some of the things that were said on the floor of this House that are occurring all over our great country.

An elderly woman living in a public housing facility, for example, was shaken down for a $1,000 loan by a 38-year-old former drug abuser who lived in her complex.

The Committee on Banking and Financial Services heard testimony last year from a senior citizen in my district in Worcester, MA, and she told horrific stories of harassment, theft, and filth and of elderly women petrified to leave their apartments. The unfortunate irony is that this particular building was known among seniors as one of the best in Worcester prior to passage of the housing amendment in 1988 that allowed for the mixing of young drug and alcohol abusers with senior citizens.

Today, the House can speak on this issue again by voting for the House amendment to S. 1494. This amendment will ensure that public housing authorities are given streamlined procedures to designate public housing facilities as ''elderly only.'' In addition, this amendment will provide sufficient authority to evict residents in these facilities who have a pattern of drug and alcohol abuse.

Let us face it. There is absolutely no sane reason that former drug addicts should be placed in senior housing, turning the lives of the elderly into living nightmares. In the words of Anneliese Belculfino of Worcester, MA: ''I would like for the younger people to have their own building and let the seniors live in peace and without fear for the time they have left.''

Let us end the practice which forces seniors to live in fear of young drug abusing neighbors that Uncle Sam forces them to live with. Support this amendment and urge our colleagues in the Senate to do the same so that this will be over once and for all. Let us pass this bill.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the chairman and ranking member, and I plan to vote for this bill.

Mr. Speaker, I am a little puzzled why it is a tribute to the importance of Corrections Day that we are now repassing a bill that passed on Corrections Day. It would seem to me if Corrections Day worked, we would not be repassing the bill we passed on Correction Day. Maybe Corrections Day is the spring training of legislative practice.

I am, however, in favor of much of what is in this bill, not everything, but I am going to vote for it. I particularly want to celebrate the continuation of tradition. One of the provisions in this bill is to give at least $25 million to Habitat for Humanity, and it is unusual that by name we single out a particular private organization and give them $25 million. Now they do very good work, and not entirely coincidentally, they do that very good work from headquarters in the State of Georgia.

Now for many years my district was adjacent to that of Speaker Tip O'Neill, and I am very familiar with this practice. You have got an organization that is near the Speaker, they do some good work, and the Speaker decides they should be rewarded with public money, and Tip O'Neill used to do that, and I am glad to see that some traditions continue because Habitat for Humanity under the speakership of our current Speaker from Georgia is being singled out unusually for this money for their land acquisition costs.

I am for it. I voted for it in committee. They were a good organization, and I think it is admirable that the Speaker says you are in my State, you do good work, here is $25 million. I would hope that some who do not recognize that the public sector has a role to play would understand that they should generalize this. Yes, it is important for public funds to be made available for good purposes, and it should not just be for organizations that happen to be in the State of the Speaker, and so I am glad about that.

Finally, I also wanted to note what my neighbor and previous speaker said, this bill does go further with the separation of housing, elderly and nonelderly, although we did in 1992 pass legislation that began that process, and the city of Fort River in fact yesterday under the 1992 legislation was given approval by the Federal Department of Housing so that 6 elderly units with 6 elderly buildings with 600 units as of now in Fort River under the 1992 act will be allowed that separation.

This bill will make it easier for some other communities to comply with that, and I think it is a useful thing, but there was one particular part of it that is also in this bill that I think is important, and I want to express my sincere appreciation to the chairman for agreeing to it, and I would ask if he would acknowledge this.

□ 1500

One of the problems we have is this. There are some younger people who live with the elderly who are disruptive. I think we would all agree that the great majority of the younger people who are disabled, physically and in other ways disabled, who are put up with the elderly are in fact very decent people who cause no one any problem.

What we have tried to do is to protect the right of the elderly to live by themselves when they wish to do that, without disadvantaging the great majority of people with disabilities who are in fact well-behaved. I think we are all unanimous on this.

One of the things that is in this bill is a provision that authorizes funds to be appropriated, such sums as might be necessary, so if a housing authority which has decided to separate the elderly from the disabled finds that in consequence it has well behaved disabled people who are hurting for housing, it will be able to set section 8 funds to accommodate them.

I appreciate the gentleman putting this in. This will become law now, but we will need some help with the Committee on Appropriations. I hope the chairman, along with the work he has already done—I know he intends to work to see that the appropriations are made available if they are needed.

Mr. LAZIO of New York. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I appreciate very much the gentleman's advocacy and his work on this issue. He correctly reflects the position, in a bipartisan way, of the committee. It is not our intention to leave younger people who need assistance, who have disabilities, without recourse. We want to provide resources for them.

It is through his work that the committee authorizes such sums as may be needed, and we will work with the appropriators. I understand this will essentially be resolved, but we will continue to be advocates.

Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois [Mr. WELLER].

Mr. WELLER. Mr. Speaker, I thank the gentleman for yielding time to me.

First, I want to lead off by commending the chairman of the committee, the gentleman from New York [Mr. LAZIO] for his leading in housing issues this year, and particularly my friend, the gentleman from Massachusetts [Mr. BLUTE] for his work on this issue that is very important to seniors in my home State of Illinois.

Mr. Speaker, let us keep this issue real simple. This bill, as it is amended, rights a wrong, that jeopardizes the safety of my constituents, seniors living in senior housing. Today HUD bureaucrats say my seniors must live alongside recovering drug addicts and alcoholics, a situation that has forced many seniors to live in fear. In fact, according to testimony from seniors living in my district in the Chicago housing authority and other public housing authorities in Joliet, Will, Grundy, Kankakee, and LaSalle Counties, many seniors have been victims of rape, physical assault, and other violent crimes. Many fear daily for their safety.

According to many of the news articles that many of have been sharing in this debate, and for the RECORD, I will be including one from the Boston Herald which points out that many seniors are even afraid to leave their apartments just to go to the store; for everyday activities, such as going shopping.

S. 1494, as amended, incorporates language from H.R. 117, a bill I am proud to cosponsor with the gentleman from Massachusetts, [Mr. BLUTE], and was previously passed by the House last fall. S. 1494, as amended, rights this wrong and lets local housing authorities keep senior housing for seniors. This is an authority they have asked for. I urge an aye vote. Let us keep senior housing for seniors and keep seniors safe in public housing by passing this legislation. I ask for an aye vote.

I include for the RECORD this news article to which I referred.

The article is as follows:

RAPE VICTIM SUES BHA—SAYS ATTACKER SHOULD HAVE BEEN EVICTED

(By Joseph Mallia)

A 92-year-old woman who was raped in her elderly-housing apartment two years ago is suing the Boston Housing Authority for failing to protect her from her assailant, another resident with a history of violence.

The housing authority is responsible because officials knew the assailant, Eric Lee Davis, Jr., was dangerous but failed to evict him, the women maintains in her Suffolk Superior Court civil suit.

The woman's name was not made public because she was the victim of a sexual crime.

''The elderly have been asking for help for years. But the only time the BHA or other agencies take notice is when a lawsuit is filed,'' said the victim's lawyer, Jeffrey A. Newman. ''This was a man who would assault them, threaten them, walk around without clothes—they were absolutely responsible to evict him.''

The attack ''severely psychologically damaged'' the victim the lawyer said. ''She has essentially lost her independence. She's untrusting and fearful.''

BHA officials could not be reached for comment last night.

Davis, who is 6-foot 3-inches and weighs 190 pounds, was found unfit to stand trial and was committed to Bridgewater State Hospital, Newman said. After he was charged, Davis gave police a tape-recorded confession, authorities said.

Davis, who was 38 at the time of the attack, had faced a previous attempted rape charge in a 1986 assault on a 66-year-old woman, law enforcement sources said. That charge was dropped and Davis instead was civilly committed to Bridgwater State Hospital for treatment, and later released.

Federal law allows disabled and handicapped persons to live in the Dorchester complex at 784 Washington St. which was designed for the elderly. And elderly tenants of public housing across the country face similar dangers, Newman said.

For a year before the rape, Davis ''had harassed various tenants; had threatened them; had demanded money and food from them; had made a practice of roaming the hallways causing various tenants to be afraid to walk the hallways unaccompanied,'' according to court documentation.

Davis also ''roamed the halls semi-naked; loudly expressed threats and desires to kill various people and to rape various people, including tenants and his own mother; he grabbed various tenants including the rape victims,'' the lawsuit claims.

He also forcibly kisses the victim, and forced his way into elderly tenant apartments, the lawyer says.

The lawsuit accuses the BHA and its officials with ''deliberate indifference to a known danger . . . the dangerous activities and proclivities of Eric L. Davis.''

Mr. KENNEDY of Massachusetts. Mr. Speaker, JOSEPH PATRICK KENNEDY now yields 2 minutes to the gentleman from Rhode Island, PATRICK JOSEPH KENNEDY.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I thank my cousin for yielding me this time.

Mr. Speaker, I rise in support of this bill on two grounds; first, because it provides our senior citizens with the relief from their fears of being put into senior housing alongside drug dealers, as has been talked about by my colleagues already. In addition, I support not only those provisions, but those that would expedite the eviction proceedings for those who are a threat to senior citizens in their senior housing. That is something for which I applaud those who have supported this legislation today, for putting that into this legislation.

I would also like to support the home equity conversion mortgage program, which is also contained within this bill. This makes senior citizens free from the fear of economic insecurity, not only their physical insecurity. In Rhode Island this program has been of special interest to us, because we rank among the top five participants in the Nation in terms of our utilization of this home mortgage conversion program.

In Rhode Island, this is particularly well suited, because 62 percent of older Rhode Islanders own their own homes, and the typical conversion participant in Rhode Island is a 72-year-old person with an annual income of $13,000. Obviously, we all understand that this is not enough for them to make ends meet, and what they will be able to do under the home conversion mortgage program is convert their assets in their home to provide them with those additional resources that they need to pay for the food on their table, for the high cost of their prescription drugs which they are trying to pay for, and a host of other expenses that our senior citizens are living with, not to mention the additional expenses they are going to have to pay if the Republicans get away with cutting Medicare $270 billion and adding to the copay of our senior citizens through turning over our Medicare Program to a managed care program, which the new leadership wants to do. But that aside, let me say, Mr. Speaker, that on this bill, I support the leadership's attempts to address both the economic and physical concerns of our elderly.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the gentleman from Delaware [Mr. CASTLE], former Governor of Delaware and distinguished member of the Committee on Banking and Financial Services.

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to thank Chairman LAZIO for the opportunity to speak on this legislation, and for his efforts to reform Federal housing programs. I rise in support of S. 1494, the Housing Program Extension Act, with the House amendments this bill will extend a number of necessary housing programs for this fiscal year.

In particular, I support the inclusion of H.R. 117, the Senior Housing Safety Act in this bill, to protect the elderly in public housing from young people with a drug or alcohol problem.

As we all know, HUD is sorely in need of restructuring. The bill before us today is a temporary step to keep programs operating for this year. It is critical that we take the next step and completely reform public housing programs. Last November, the House Banking Committee passed H.R. 2406, the U.S. Housing Act. This bill will fundamentally reform, restructure, and streamline Federal housing programs to provide greater flexibility to local housing officials and start the process of giving tenants the opportunity to move out of public housing as soon as they are able.

Mr. Speaker, I support this short-term authorization bill, but I urge the House to take up fundamental housing reform, H.R. 2406, as soon as possible. We owe it to the residents of public housing and the taxpayers of this country.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 2 minutes to my friend, the gentlewoman from Texas, SHEILA JACKSON-LEE.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for his leadership, and I thank the chairman, as well, for really targeting an issue in which many of us are involved. I have just come back from the district work break in Houston, and participated in an initiative by our city to put 25,000 affordable housing units in our core city area. Part of those units will certainly improve and help elderly citizens. It will help families, single parents with children.

But this authorization process and this S. 1494, along with H.R. 117, combined, answers many questions. One, it helps local governments with their community block grants, because these were expired, and now we are going to add to that. Additionally, I have in my community some 9,000 people on the public housing waiting lists, and with project-based section 8 units now being reinstituted, we now have the opportunity to get more housing along those lines.

I think it is important that with the reverse mortgage program, we actually acknowledge that seniors have had a hard time making ends meet. They are responsible individuals. Why not give them the opportunity to in fact utilize their home equity and to provide for them, to make sure they can make ends meet, and not have this burden, if you will, come to fruition until the loan or the house is sold.

One of the points that I wanted to make with H.R. 117 is to not throw the baby out with the bath water. That, of course, is the concern about physically challenged individuals who need housing, and the fact that it was not the idea of finding housing for physically challenged, it was the misconstruction of putting those who are suffering from drug and alcohol abuse, adults, mixed in with our senior citizens.

I hope we will have a plan, of course, that we will continue to give local housing authorities the authority and discretion to have elderly families-only housing, to have disabled families-only housing, and as well, mixed family and disabled housing, so that the children are not forgotten. I think, however, this is a good bill. It protects our senior citizens. I just want to ensure that our disabled children and others who are physically challenged, who are not suffering from drug and alcohol addiction as adults and are creating illegal activities, will have a place to live, particularly those who are mentally challenged. That has been raised in my community.

I thank the gentleman.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. NEY], a member of the Committee on Banking and Financial Services and a member of the Housing Subcommittee who has truly made his mark.

Mr. NEY. Mr. Speaker, I rise in strong support of the House version of S. 1494, because it reauthorizes five major programs and encourages homeownership and affordable housing development in this country. But also, like the previous speakers on both sides of the aisle, I also want to mention that by bipartisan support in the Committee on Banking and Financial Services, we had a good measure come forth, and that has been talked about by the previous speakers. That is inclusion of the language in the revised version of the bill that would allow public housing agencies and landlords who receive Federal assistance to more easily designate certain dwellings as elderly only, disabled only, or elderly and disabled. I thank the gentleman from New York [Mr. LAZIO] for his perseverance on this issue, and the gentleman from Massachusetts [Mr. BLUTE], of course, for bringing this issue forth.

While there are almost 3,400 public housing developments nationwide, only 10 have been approved by HUD and designated as elderly only. When I served in the State senate, Marty Gould, who is the head of Martins Ferry housing authority in Belmont County, OH, among other directors, had continuously called, because there was always one view coming out of Washington, some rules and regulations, and the directors really did not know what to do. This clarifies it once and for all, adds good protection for our senior citizens, and is the right thing to do.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. HEINEMAN], a distinguished member of the Subcommittee on Housing as well, who has been very helpful to me.

Mr. HEINEMAN. Mr. Speaker, today I rise in strong support of the House amendment to S. 1494, the Housing Opportunity Program Extension Act of 1995. Let me take this opportunity to commend my good friends, Chairman RICK LAZIO and Representative PETER BLUTE for their work crafting this House amendment.

It is critically important that the House pass S. 1494 as amended. This bill incorporates the language of H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act. Here, we have another opportunity to address this issue, and I urge my colleagues to take this opportunity and vote in favor of a bill to help protect senior citizens.

I was proud to be an original cosponsor of H.R. 117. You will recall that H.R. 117 provides protection for our vulnerable senior citizens who live in public housing. There is a crisis across this country, brought about because of misguided housing policies that have allowed drug and alcohol abusers to live side by side with vulnerable senior citizens. The law was intended to provide housing for seniors and the disabled, but drug abusers have figured out how to tell public housing officials that their drug addictions make them disabled, so that they too can claim public housing rights—next door to our most vulnerable elderly Americans.

Mr. Speaker, by now we have all heard the horror stories of senior citizens victimized in their own neighborhoods by drug and alcohol abusers. I urge my colleagues to pass this bipartisan House amendment, so that the senior citizens who live in public housing can be protected from these terrible crimes. Let's get this bill to the President's desk so that he can sign it without delay.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again, I want to say that I believe that this bill deserves the support of both sides of the aisle. I think it is important legislation that continues programs that are vitally necessary to preserve the kind of housing dreams that many working families, low-income, and senior citizens of this country are in great need of these days.

There are problems with this bill. There is no reason why the 515 program that the gentleman from Illinois [Mr. DURBIN] spoke so eloquently about should not be reformed. There are deals that get done around here that should be done in the light of day. That one

was not, but I believe that overall, this bill is a positive development, and again, I want to compliment my friend, the gentleman from New York [Mr. LAZIO], for the fine work that he has done on this bill.

□ 1515

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me begin by stating this legislation has moved forward in a way that I think this body can be very proud of, in a bipartisan fashion, with the input of both Republican and Democratic members of the subcommittee and the full committee, with changes that have been made based on good reasoning, with an intent to help those people that need our help the most: The first-time home buyers, the senior who is couch-rich but cash-poor and desperately needs that money to remodel their house, the resources to provide opportunity for first-time homebuyers who otherwise would not be able to fulfill their American dream.

This bill begins a process of reform in a very limited way. Certainly we will be doing more, proposing more as the year goes on. It certainly begins some reforms that are important, the reform of self-help housing, where we are using as little as $6,000 of Federal dollars, not just to build an apartment unit but to build a whole house through Habitat for Humanity and other self-help housing groups that will not be focusing just on the State of Georgia but in every State in the Nation with an assurance in this legislation there will be geographic diversity based primarily on need. That would be very, very important.

This bill will boost homeownership levels in areas where, particularly in underserved areas, where we need it desperately. It provides shelter to millions of Americans that will need it that would otherwise be vulnerable through expiring contracts, and we will be renewing those contracts and the subsidies through this legislation.

I would also want to comment here, Mr. Speaker, that this bill would not have been possible without the cooperation of the staffs on both sides of the aisle. I want to point out one person in particular, Valerie Baldwin, who has been a very noted member and hard-working member of the subcommittee staff. This will be the last time that she will be on the floor as a member of the staff of this authorizing subcommittee. Our loss is the appropriators' gain, and we hope that that will build a better relationship with the appropriators, frankly, as she moves over there. She has been of indispensable help in drafting this legislation, in advising this chairman and this committee on issues on housing and community opportunity. That should not take away from the other work done by the Democratic and Republican members of the staff and also the Members themselves who serve on the committee.

This has been a truly collaborative effort. It is an effort that I think will bear fruit. As the gentleman from Massachusetts [Mr. KENNEDY] remarked, we wish we would have gotten the last reforms in there. We will continue to work on those reforms, because they are needed. But we did get significant concessions from the other body. Frankly, we wish we would not have to fight as hard as we do to get these reforms. We will keep at it, I say to the gentleman from Massachusetts, with your help and with the members of the other committee, until we get these reforms.

Mr. Speaker, I yield 1 minute to my friend, the gentleman from Nebraska [Mr. BEREUTER], the chairman of the Subcommittee on International Relations.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I thank the gentleman from New York, the subcommittee chairman, for yielding me this time. I will be brief in my comments.

I rise in support of the House amendments to S. 1494. Overall, the bill is a very good piece of legislation, and this Member commends the leadership of the gentleman from New York and others on this subcommittee.

I want to endorse specifically section 5 of the House amendments. This section authorizes a program which this Member sought for years, the Rural Rental Multifamily Housing Loan Guarantee Program. As a matter of fact, we already have conditional appropriations for this legislation. We have been waiting since the previous Congress when the Senate failed to act upon our legislation in order to have the authorizing legislation, but unless we pass this amendment to create what is, in effect, a new section 515 loan guarantee program, that appropriation will lapse.

It is modeled after the 502 program for single-family housing. It is a very efficient use of our resources. Rather than relying on direct loans, we are relying on loan guarantees.

The default rate of the previous program has been 2.33, an amazing success, having built 24,000 units. I urge support for the House amendments.

Mr. Speaker, despite a conflict which requires this Member to chair a Housing and Community Opportunity Subcommittee hearing on Indian housing, this Member rises today to offer his strong support for the House amendment to S. 1494—the Housing Opportunity Program Extension Act of 1995. Overall, the bill is very good legislation and this Member commends the committee for their hard work. Today, this Member rises to speak specifically to section 5 of the House amendment. This section authorizes a program which this Member has sought for years: the Rural Rental Multifamily Housing Loan Guarantee Program.

Section 5 of this measure is identical to legislation passed by the House in the 103d Congress as part of H.R. 3838, the Housing and Community Development Act of 1994, passed July 22, 1994. This legislation would create a new Federal loan guarantee program for the construction of multifamily rental housing units. Because H.R. 3838 died when the Senate failed to act on it in the last hours of the 103d Congress, this Member reintroduced legislation to authorize the loan guarantee program.

Currently, the only Federal program allowing development of this type of housing is the Rural Housing and Community Development Service's Section 515 Program, a direct loan program which has, unfortunately, been plagued with problems. Because of these problems and because Federal funds become more scarce every year, the direct loan program is almost certain to shrink. Therefore, there is a need for a new approach that would cost taxpayers less but still provide equal or greater housing opportunity in rural areas. The new program would be known as the Section 515 Loan Guarantee Program.

At this point this Member is not advocating replacing the existing program, but only augment it, at a lower cost, in order to provide at least some more rental housing opportunities needed by a sizable segment of America's population living in smaller communities. The new program will provide a Federal guarantee on loans made to eligible persons by private lenders. Developers will bring 10 percent of the cost of the project to the table, and private lenders will make loans for the balance. The lenders will be given a 100-percent Federal guarantee on the loans they make. Unlike the current 515 program, where the full costs are borne by the Federal Government, the only costs to the Federal Government under the 538 guarantee program will be for administrative costs and potential defaults. It should be noted that this program is based on the recent experience with the very successful FmHA 502 Middle Income Loan Guarantee Program for home ownership. That program, which this Member first proposed, has a default rate of only 2.33 percent with over 24,000 units financed since 1991.

Also, Mr. Speaker, you should note that, with bipartisan support on the Appropriations Committee, this Member was successful in advocating the inclusion of $1 million funding for this program in the Department of Agriculture appropriation for fiscal 1996, making it possible to finance approximately $25 million in guarantees. Therefore, the program can move forward as soon as it is authorized, but the appropriation will be recaptured if the program is not authorized in fiscal 1996.

In closing, history has proven that loan guarantees are a more cost-effective and expeditious use of scarce Federal dollars. As budgets are slashed, this type of program promises to continue to make Federal assistance available for housing development in America's nonmetropolitan cities.

Mr. Speaker, this Member urges his colleagues to vote ''yea'' on this measure.

GENERAL LEAVE

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill now under consideration.

The SPEAKER pro tempore (Mr. DUNCAN). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

I would conclude and again thank Members on both sides of the aisle for their remarkable efforts to move this bill forward.

Mr. GUTIERREZ. Mr. Speaker, I rise today in support of S. 1494 that seeks to authorize a variety of housing programs for fiscal year 1996. Two programs contained in this bill are critical to the well-being and safety of residents and will assure the continuation of decent, affordable housing.

The problems in housing inhabited by both seniors and persons with disabilities are much too serious and dangerous to ignore. I am very glad to see the attention this issue has received. Seniors in my district are frightened and they are angry. HUD and many housing authorities, including the Chicago Housing Authority, have been slow to take this problem seriously.

I believe the bill before the House today will aid housing authorities in evicting those people who pose a serious threat to other residents. As I have indicated since January of last year, the need to address this issue is critical. On January 15, 1995, I wrote to Chairman LAZIO asking that the Housing Subcommittee hold hearings on this issue. Unfortunately, another year passed while many seniors have continued to live in fear.

I believe S. 1494 is a good bill. I believe this legislation will assist housing authorities in the critical area of keeping problem residents out of elderly housing from the start. I commend the will of this House to address this most troubling problem and trust that the final solution will provide seniors and persons with disabilities who reside in public housing with some measure of relief.

In addition, I am pleased to see that S. 1494 includes provisions authorizing the housing preservation program. This program has provided thousands of Chicago's low-income elderly citizens and families with safe, affordable, and quality housing. Although additional reforms may be needed, S. 1494 does include those reforms contained in H.R. 2099, the VA–HUD appropriations bill for 1996.

One important reform measure gives funding priority to tenant and nonprofit purchasers. For many buildings I believe this is a preferable option and will help ensure that the property is retained as affordable housing for the remainder of its useful life. One building in my district, Northwest Tower, will benefit greatly from this provision. HUD is currently reviewing the application of the Northwest Tower Residents Association to purchase the building. This would not only save the building as a valuable affordable housing source, but, after the initial renovation, will significantly decrease the subsidy currently being provided by HUD.

I believe the authorization of these two programs will prove beneficial to those concerned with the provision of safe and affordable housing for low-income tenants. Congress must protect the elderly from those residents who are disruptive and often violent. We also must continue to support the preservation program and the tenants currently residing in these buildings. S. 1494 accomplishes those two objectives. Therefore, I urge my colleagues to support this legislation.

Mr. LAZIO of New York. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. LAZIO] that the House suspend the rules and pass the Senate bill, S. 1494, as amended.

The question was taken.

Mr. LAZIO of New York. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

REPORT FROM THE CONGRESSIONAL BUDGET OFFICE ON UNFUNDED FEDERAL MANDATES

CONGRESSIONAL BUDGET OFFICE STATEMENT SUBMITTED PURSUANT TO SECTION 423(f)(2) OF THE CONGRESSIONAL BUDGET ACT

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 8, 1996.

Hon. DON YOUNG,
Chairman, Committee on Resources,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Unfunded Mandates Reform Act of 1995 (Public Law 104–4) took effect on January 1, 1996. The new law requires the Congressional Budget Office (CBO) and Congressional committees to carry out a number of new activities. I am writing to you today to let you know how CBO plans to fulfill its responsibilities under the new law and to provide you with mandate cost statements for those bills under your jurisdiction that were on the House calendar as of January 23, 1996.

New Responsibilities Under the Act. The new law requires CBO to provide a statement to authorizing committees as to whether reported bills contain federal mandates. For legislation that contains identifiable federal mandates, CBO is required to estimate their aggregate direct costs. If those costs are above a specified threshold in the fiscal year that the mandate is first effective or in any of the four following years, CBO must provide an estimate of the costs, if feasible, and the basis of the estimate. The threshold is $50 million for intergovernmental mandates and $100 million for private-sector mandates.

Any member may raise a point of order against any reported bill unless the committee has published a CBO statement about mandate costs. A member may also raise a point of order against any bill, amendment, motion, or conference report that would increase the direct costs of federal intergovernmental mandates by more than $50 million unless the bill provides for funding (either by creating direct spending authority or by authorizing future appropriations), and provides a mechanism for terminating or scaling back mandates if agencies determine that there are not sufficient funds to cover those costs. We have enclosed with this letter a more detailed description of the new law and a brief summary of the new responsibilities assigned to CBO and Congressional committees.

Whenever possible in future cost estimates, CBO will be explicit about whether a bill contains mandates. If we are uncertain, we will say so in the mandate statement and provide as much detail as possible so that the Congress can decide whether points of order apply to the bill.

In order to have sufficient time to prepare mandate cost statements, we will need to know about potential legislation as early as possible, particularly those bills that might contain mandates. Because it takes time to prepare mandate analyses, we would greatly appreciate receiving early notification about your legislative agenda for the year. It might also be helpful—for both your committee and ourselves—if your staff would contact us early in the process of dealing with legislation that might contain mandates. The CBO staff contacts for your committee are: For intergovernmental mandates: Theresa Gullo (225–3220); and, for private sector mandates: Elliot Schwartz (226–2940).

Bills on the House Calendar. Enclosed with this letter are two lists of the legislation on the calendar as of January 23, 1996, that is under your committee's jurisdiction: one for intergovernmental mandates and one for private-sector mandates. The lists group the legislation into three categories: those that do not contain mandates as defined in Public Law 104–4; those that contain mandates but the direct costs are below the relevant thresholds; and legislation that we need to review further.

We look forward to working with your committee in these new endeavors. Your assistance will be extremely important to us as we strive to provide high quality and timely statements of mandate costs to the Congress. If you have any questions about CBO's new activities or about the enclosed lists, please feel free to contact me or the staff contacts listed above.

Sincerely,

JUNE E. O'NEILL,
Director.

THE UNFUNDED MANDATES REFORM ACT

CBO's New Responsibilities. The Unfunded Mandates Reform Act (Public Law 104–4) requires the Congressional Budget Office (CBO) to provide a statement to authorizing committees about whether reported bills contain federal mandates. If the total direct costs of all mandates in the bill are above a specified threshold in the fiscal year that the mandate is first effective or in any of the four following years, CBO must provide an estimate of those costs, if feasible, and the basis of the estimate. The threshold is $50 million for intergovernmental mandates and $100 million for private-sector mandates.

A mandate is defined as any provision in legislation, statute, or regulation that would impose an enforceable duty on state, local, or tribal governments, or the private sector or that would reduce or eliminate the amount of authorization of appropriation for federal financial assistance to cover the costs of existing mandates. Direct costs are defined as amounts that state, local, or tribal governments and the private sector are required to spend to comply with the enforceable duty.

Beyond that, the terms ''mandates'' and ''direct costs'' are defined narrowly. For example, the act would not apply to legislation enforcing constitutional rights or enforcing prohibitions against discrimination (for example, the Americans With Disabilities Act). The act would also not apply to conditions of federal assistance or duties arising from participation in a voluntary federal program (unless the program meets specific criteria in the bill).

Direct costs would exclude amounts spent under current laws or programs and would be limited to spending directly resulting from the legislation rather than broad effects on the economy. The amounts that states, localities, and tribes ''would be prohibited

from raising in revenues'' are also included in the definition of ''direct costs.'' In this way, the act allows for consideration of the impact of federal legislation on the revenue-raising capabilities of these governments.

The CBO statement must also include an assessment of whether the bill authorizes or otherwise provides funding to cover the costs of the mandates. For intergovernmental mandates, the cost statement must estimate the appropriations needed to fund such authorizations for up to 10 years after the mandate is effective.

CBO must ''to the greatest extent practicable'' prepare statements for conference agreements if they contain mandates not previously considered by either House or if they impose greater direct costs than the previously considered versions of the bill. If an individual Senator requests it, CBO must prepare estimates of the costs of intergovernmental mandates contained in an amendment the Senator may wish to offer.

The Congress may also call on CBO to do analyses at other stages of the legislative process. If asked by the chair or ranking minority member of a committee, and to the extent practicable, CBO will: conduct special studies on legislative proposals; compare an agency's estimate of the costs of proposed regulations implementing a federal mandate with CBO's estimate prepared when the law was enacted; and conduct continuing studies to enhance comparisons of budget outlays, credit authority, and tax expenditures. CBO's ability to carry out those additional activities will depend on available resources.

Although the act does not specifically require CBO to analyze the cost of mandates in appropriation bills, a point of order would lie against legislative provisions in such bills—or amendments to such bills—that increase the direct costs of intergovernmental mandates but do not have the appropriate CBO statement. CBO will also be required, when requested, to assist committees by preparing studies of legislative proposals containing federal mandates. For intergovernmental mandates, CBO is directed to solicit information or comments from elected officials and to consider establishing advisory panels.

Enforcement and Implementation Mechanisms Related to CBO's Work. A point of order will now lie against any reported bill unless the committee has published a CBO statement about mandate costs. A point of order will also lie against any bill, amendment, motion, or conference report that would increase the direct costs of federal intergovernmental mandates by more than $50 million, unless it provides spending authority or authorizes appropriations sufficient to cover those costs. Such authorizations would have to be specified for each year up to 10 years after the effective date, and—in the Senate—would have to be consistent with the estimated costs of the bill, amendment, motion, or conference report as determined by the Budget Committee. Finally, a point of order will lie against any bill, amendment, motion, or conference report that would increase the direct costs of federal intergovernmental mandates by more than $50 million, unless it provides a procedure for terminating or scaling back mandates if agencies determine that funds are not sufficient to cover those costs.

How CBO Is Responding. Although CBO has been preparing estimates of the impacts of federal legislation on state and local governments since 1982, the passage of the Unfunded Mandates Reform Act has signaled Congressional interest in having more and better information on the costs of mandates. This heightened interest on the part of the Congress makes it clear that CBO must devote more time and resources to providing the Congress with high quality and timely estimates.

CBO has done several things to enhance our state and local government cost-estimating efforts. Most important, we have established a new unit in the Budget Analysis Division—the State and Local Government Cost Estimates Unit. In addition to preparing cost estimates, the unit will do special studies related to mandates and their budgetary impacts and will provide ongoing support to Congressional committees as they address the issues of intergovernmental mandates. The new unit is currently staffed with a unit chief and four analysts who have begun developing those capabilities.

For private-sector analyses, CBO has hired additional staff in our program divisions to prepare cost estimates and to conduct special studies when requested. The policy divisions also will provide ongoing support to congressional committees as they address the issues of private-sector mandates.

New Responsibilities of Congressional Committees. The Unfunded Mandates Reform Act also contains a number of new requirements for committees. In general, when an authorizing committee reports a bill or joint resolution that includes a federal mandate, the report must identify and describe those mandates and include a statement from the Director of the Congressional Budget Office on their estimated costs. If that statement cannot be published with the report, the committee is responsible for ensuring that it is published in the Congressional Record in advance of floor consideration. The committee is responsible for promptly providing CBO with a copy of the bill and for identifying mandates contained in the bill.

In addition, the report must contain a qualitative and, if practical, a quantitative assessment of costs and benefits anticipated from the mandates (including the effects on health and safety and the protection of the natural environment). Finally, the committee must state the degree to which a federal mandate affects both the public and private sectors, and the effect on the competitive balance between those sectors if federal payments are made to compensate for costs imposed on the public sector.

If the bill imposes intergovernmental mandates, the committee report shall contain a statement of how those mandates are to be funded by the federal government; whether the committee intends for the mandate to be partially or fully funded; how the funding mechanism relates to the expected direct costs to the respective levels of state, local, and tribal governments; and any existing source of funds in addition to those already identified that would assist governments in meeting the direct costs of the mandate.

Bills must also provide for agencies to determine whether funds are sufficient to cover the costs of new intergovernmental mandates. If funding is insufficient, the agency must notify the authorizing committee within 30 days of the beginning of the fiscal year. The agency can submit a reestimate of the costs or recommend a less costly approach. If the Congress takes no action within 60 days, the mandate becomes ineffective.

For amended bills, joint resolutions and conference reports, the committee of conference shall ensure, to the greatest extent possible, that the Director of CBO prepare a statement if the amended form contains a federal mandate not previously considered by either House, or contains an increase in the direct costs of a previously considered mandate.

Finally, the committees are required to identify in their annual views and estimates reports to the Budget Committees, issues that they will consider that will have costs for state, local, or tribal governments or for the private sector.

CONGRESSIONAL BUDGET OFFICE—INTERGOVERNMENTAL MANDATE STATEMENT FOR BILLS ON THE HOUSE CALENDAR

(AS OF JANUARY 23, 1996)

Committee: Resources.

Bills that do not contain mandates: H.R. 260—National Park System Reform Act of 1995; H.R. 1077—BLM Reauthorization Act of 1995; H.R. 1122—Alaska Power Administration Sale Act; H.R. 1175—Marine Resources Revitalization Act of 1995; H.R. 1675—National Wildlife Refuge Improvement Act of 1995; H.R. 1745—Utah Public Lands Management Act of 1995; H.R. 1815—National Oceanic and Atmospheric Administration Authorization Act of 1995; H.R. 2402—Snowbasin Land Exchange Act of 1995; H.R. 2726—A bill to make certain technical corrections in laws relating to Native Americans; and S. 1341—Saddleback Mountain-Arizona Settlement Act of 1995.

Bills that contain mandates, but aggregate net costs are below $50 million: None.

Bills that require further review: None.

CONGRESSIONAL BUDGET OFFICE—PRIVATE SECTOR MANDATE STATEMENT FOR BILLS ON THE HOUSE CALENDAR

(AS OF JANUARY 23, 1996)

Committee: Resources.

Bills that do not contain mandates: H.R. 1077—BLM Reauthorization Act of 1995; H.R. 1122—Alaska Power Administration Sale Act; H.R. 1175—Marine Resources Revitalization Act of 1995; H.R. 1815—National Oceanic and Atmospheric Administration Authorization Act of 1995; H.R. 2402—Snowbasin Land Exchange Act of 1995; H.R. 2726—A bill to make certain technical corrections in laws relating to Native Americans.

Bills that require further review: H.R. 260—National Park System Reform Act of 1995; H.R. 1675—National Wildlife Refuge Improvement Act of 1995; H.R. 1745—Utah Public Lands Management Act of 1995; and S. 1341—Saddleback Mountain-Arizona Settlement Act of 1995.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRADE DEFICITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, the Presidential campaigns, particularly the Republican primary campaign, is in the full swing right now, and there has been a lot of derogatory comments made by one candidate or another about their opponents.

I think we have a good field of Republican candidates, and I wish they would quit the terrible rhetoric about one another and really stick to the facts. I think if they do that, the American people will find them to be the kind of people they want to elect President and will elect the nominee we can all live with and be happy with and can elect in November to the Presidency of the United States.

One of the problems that I have is that there has been a lot of misinformation about one of the candidates,

and I am not taking sides in this Presidential campaign at this point, but I would like to point out some of the inaccurate remarks that have been made in what I believe to be untrue statements.

First of all, they say Pat Buchanan, one of the leading candidates for President, has been one who wants to put a wall around the United States and be a protectionist, and they say the manifestation of this is because he opposed NAFTA and a lot of the jobs going to Mexico and other parts of the world, and they have said that this is the wrong approach and that we should not be worrying about that.

The fact of the matter is NAFTA has been a disaster, and Mr. Buchanan is not wrong.

Let me give you some figures: In 1995, the U.S. trade deficit with the world was about $120 billion. That included a deficit of about $671 billion with Japan, $40 billion with China, and the deficit with Mexico is now $16 billion. Two years ago, when we signed NAFTA, we had a $6 billion trade surplus with Mexico. Now we have a $16 billion trade deficit. That means we have lost $22 billion in trade with Mexico in the last 2 years, and each one of those billions of dollars costs the people of this country 19,000 jobs.

And so since NAFTA was passed, we have had a net loss of over 300,000 jobs going to Mexico. A net loss of 300,000 jobs. I think that it is not inaccurate to say it is not in the best interests of the people of this country to have businesses and industries relocate in Mexico to the detriment of American workers because of an unfair trade agreement.

Now, people say why do we have an unfair trade agreement? ''Why do you say that, DAN?'' The reason I say that is there are several problems with the NAFTA bill. Mr. Buchanan has talked about those. One of the problems is the tariffs on the Mexican side of the border come down over 15 years. On the American side of it's border, in many cases, those tariffs come down in 5 years. That gives the Mexican entrepreneur or business person a 10-year advantage, because they are still going to have tariffs on their side of the border for American products while we do not have them here.

Now, the wage rates down there in some parts of Mexico are very, very low. You can employ people in the Yucatan, including fringe benefits, for a dollar an hour, and their counterpart in the United States is being paid anywhere from $10 to $20 an hour. That labor disparity is one reason to go down there.

In addition to that, the tariffs not coming down as quickly on the Mexican side also is an inducement for American industry to leave here and go down there. Why would a small labor-intensive industry, let us say, that manufactures microwave ovens want to stay here when their competition is in Mexico at much lower wage rates, selling into the United States with no tariffs while they are paying much higher wage rates here in the United States and they cannot sell into Mexico without an import tariff? And so there is a real disadvantage for American industries staying here instead of going south of the border. Mr. Buchanan talks about that, and it is something that has cost us, as I said, over 300,000 jobs.

Let me give you some figures: Imports from Mexico have increased 51 percent; that is, products coming from there to here. United States exports going to Mexico have increased by only 8 percent. So they have got a 33 percent advantage there. The $5.7 billion trade surplus I talked about in 1992 is now a $16 billion trade deficit, costing 300,000 jobs. The companies along the border are relocating in Mexico because of these advantages. More workers, in 90 percent of the cases, let me just read this to you, at this rate, taking Japan and China, for example, excuse me, while large corporations made sweeping predictions that NAFTA would enable them to hire more workers, in 90 percent of the cases these companies who said they would be able to hire more workers because of NAFTA have made no significant steps toward fulfilling these promises. In fact, according to the Department of Labor estimates, many of these leading NAFTA promoters have laid off workers, including GE, Procter & Gamble, Mattelle, and Xerox. For example, Wrangler has closed three manufacturing plants, lost 700 jobs to Mexico. United Technologies automotive plant in St. Mathews, SC, laid off 400 workers to plants in Mexico. Cleveland Mills, owned by Fruit of the Loom, folded in December, eliminating 400 jobs. This is part of the Fruit of the Loom plans to cut 3,200 jobs, close six plants and move those operations to other parts of the world, including Mexico. Eleven El Paso apparel factories closed down in the first year alone because of NAFTA, and recently the Hershey Co., an all-American company, everybody loves those Hershey Kisses, they moved one of their major Hershey Kisses plants to Mexico, and this is just another reason why facts need to be laid out very clearly in this campaign, and we should not be denigrating any one candidate to the advantage of another, because of misinformation.

Mr. Buchanan is right on the money on this issue. We are losing jobs. There needs to be free trade, but there needs to be fair trade as well, and so I hope my colleagues that are running for President will keep this in mind.

ATROCITY COMMITTED 90 MILES FROM U.S. SHORE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DEUTSCH] is recognized for 5 minutes.

Mr. DEUTSCH. Mr. Speaker, I rise today to urge my colleagues in the fastest possible time and the quickest possible moment to pass the Helms-Burton bill to bring the end of the Castro dictatorship in Cuba.

Just this weekend, we witnessed less than 90 miles from our shore, actually about 85 miles from our shore, 85 miles from my district, an incident that will be remembered throughout American history as one of the most brazen, really cruel, vicious, evil acts in the 20th century.

Two aircraft, civilian aircraft, unarmed civilian aircraft, irrefutably over international waters, and again the evidence is irrefutable at this time of where they were, and regardless of where they were, over international waters, shot down by military fighter jets, and all passengers perished. A rogue state, not a country, but the leadership of that country, that just recently in the so-called 13th of March incident of last year killed 40 innocent Cubans, men, women, and children trying to escape persecution. A country and a leader, not a people, but a leader, Castro, who just really immediately before this incident, February 15 of this year, began a nationwide roundup of members of an opposition group called Concilio Cubano, over 100 members of Concilio Cubano were arrested and over 20 members are still missing and presumed in jail.

The Clinton administration has offered on the table some things that will be helpful. But what this country needs to do, what we need to do as Americans, is bring the last and only dictator, the last and only Communist ruler in our hemisphere, to an end. We have the power to do that within this building, within this Hall, within this Chamber, with the help of the Chamber on the other side and the support of the President.

I point to several of my colleagues who really are still thinking of or fixated in Castro the liberator, Castro the reformist, to think of what he is doing to his own people.

I am glad that the gentleman from Indiana [Mr. BURTON], the chairman of the committee dealing with this issue and the author of this bill is here. I yield to the gentleman.

Mr. BURTON of Indiana. Let me say to my colleague from Florida that we really appreciate his leadership on this bill. He has been very, very helpful in getting the Burton-Helms bill through the U.S. House of Representatives with a veto-proof majority.

This horrible act that took place this weekend to which the gentleman referred should eliminate any doubt in anybody's mind about the necessity for passing this bill and cutting off Castro's ability to get hard currency by selling confiscated United States property that was owned by Americans in Cuba. I cannot stress strongly enough the support that the gentleman has given and how much I appreciate that.

The President has now come on board, a little late, but we are very happy he is on board, and he said he is

going to support some modification of this bill. I hope the President will sign the bill in the original form as it passed the House. That is the toughest bill we are going to have. If he cannot, I hope he will at least give us a very tough alternative so we can send Castro a unified message, and I know my colleague wants to do that, that this country stands together in opposing the human rights violations and the travesty that happened down there last weekend.

I want to thank my colleague once again for his leadership.

Mr. DEUTSCH. I see my colleague from Florida, the first Cuban-American to be a Member of the U.S. Congress, the gentlewoman from Florida [Ms. ROS-LEHTINEN], is on the floor. Another colleague of ours, the gentleman from California [Mr. LANTOS], who is actually a survivor of the Nazi Holocaust, who in an official capacity, not spending any money but going through the U.S. intervention, as opposed to other people who visited that country, visited that country and met with dissidents, people tortured. This is a man who lived through the pre-Holocaust and actual Holocaust time, and described in Cuban, what is going on there, as bad as what was going on in Germany before the Holocaust.

So that is the reality of the situation on the ground 90 miles from our shore, 90 miles from my district, and we have the ability in this Chamber to change that. Hopefully by the end of this week we will take an important significant step and pass the Helms-Burton bill.

PROVIDING FREE AIR TIME TO PRESIDENTIAL CANDIDATES

(Ms. SLAUGHTER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I rise today to call attention to an article in this morning's Washington Post. Although I cannot say that I have always agreed with Fox Broadcasting Co. Chairman Rupert Murdoch, I am delighted that he has endorsed the idea—my idea—of providing free TV time to political candidates.

Mr. Murdoch has announced that he will give Presidential candidates free air time this fall. Last year, I introduced legislation to provide candidates this kind of access to our airways, and, to give voters a truer picture of the candidates.

Due to obfuscating and expensive political commercials, voters rarely witness what candidates truly stand for. The time has come to even the playing field and provide a mechanism to rid our airways of manipulative advertising campaigns, and return elections to the voters.

Mr. Murdoch has challenged his competitors to provide free TV time. I am challenging my colleagues to cosponsor my bill to ensure that broadcasters provide free TV time.

IMPORTANCE OF TRAVEL AND TOURISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. Mr. Speaker, everyone is talking about how on the campaign trail people are all talking about jobs, so I would like to address this issue of jobs today in a rational and forthright way.

According to futurist John Naisbitt, three industries will drive the global economy of the 21st century. They are telecommunications, information technology, and travel, tourism.

Rarely does a nation get the chance that we have now to reassess and to restructure our public policy approach to an industry that is slated to be a force of the future. Following the recommendations of the White House Conference on Travel and Tourism which took place here in Washington last October, we now have that chance to reshape our approach and our economic future with this monumental industry.

You have heard the statistics before on travel and tourism. Did you know that travel and tourism employs 204 million people worldwide? That is almost as many people as we have living in the United States, minus California. That equals 10 percent of the global work force. One out of every 10 people around the world works in travel and tourism.

In the United States alone, travel and tourism accounts for 1 out of every 9 jobs here in America. Tourism produces $655 billion in tax revenue. More than 10 percent of all capital investment worldwide goes into travel and tourism. Maybe that is why travel and tourism is growing 23 percent faster than the world economy.

America needs a bold agenda for change, change not only in the way we do business, but in the new way that we look at the world.

Consider for a moment that the single largest global revenue producer for individuals and governments, travel and tourism, has recently been cut from the U.S. Department of Commerce. Just totally cut it out, yet it is the No. 1 industry in America for jobs.

Mr. Speaker, America needs a contingency plan. The Travel and Tourism Partnership Act is that plan. This plan allows the United States to compete globally for tourism dollars against other countries like Canada, Germany, Spain, and Australia, who are very sophisticated in this area and are taking these foreign tourists and therefore these foreign dollars from us.

Even small countries like Malaysia and Tunisia have been spending more on travel and tourism year after year than we have. Now with the closing of the USTTA, U.S. tourism promotion efforts have dropped to zero. Let me repeat that, zero dollars. Anyone who tells you that this is not going to cost American jobs is wrong, dead wrong. It is going to cost us a lot of jobs. In the next 5 years, there will be an increase, an increase, of 50 million travelers worldwide. This represents thousands upon thousands of jobs in America and billions and billions of dollars.

So when people talk to you about what is taking place on the Presidential campaign trail today, people talking about jobs, talk to them about travel and tourism, because this is where the jobs will be in the 1990's and the 21st century. This can mean tens of thousands of new jobs for American workers, but it is not going to happen if we in Congress do not have the foresight and take advantage of this remarkable opportunity.

That is why, as chairman of the 304-member Travel and Tourist Caucus, the largest in Congress, I introduced the Travel and Tourism Partnership Act. This act sets forth a complete new approach to marketing the United States as a foreign destination. Rather than just another government-run program, my bill designs a partnership between the tourism industry and the public sector, a device to carry out a more effective marketing plan so we can have jobs and dollars in this country.

This plan is vital to the United States. This is a job creating bill. Virtually all over the world, and particularly in the United States, travel and tourism is the predominant industry for jobs that our people need. With all this potential, the United States is losing its market share to travel and tourism in a growing world market. We must stop this trend.

That is why I am on the floor today, to ask you for your help, so that you can say you have done something constructive to promote jobs, private enterprise jobs, right here in America.

This act reflects the recommendation of some 1,700 sophisticated travel and tourist leaders, as well as local, State, and regional tourism officials who participated in the White House conference. By developing this partnership plan, we can create jobs here in America, keep our main streets alive, and pump new tourism dollars into our local economies. With one out of every nine American workers employed by travel and tourism, we cannot afford not to take action. Travel and tourism is the hidden giant in the U.S. economy.

Mr. Speaker, it is time for bold ideas in America, and it is time to chart a course for the future. I urge all of my colleagues to join 172 members who have already cosponsored the Travel and Tourism Partnership Act. We must act, and we must act today. Join us and get involved in this blockbuster industry of the 1990's and the 21st century.

RESPONDING TO A DISASTER IN POOLVILLE, TX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas, Mr. PETE GEREN, is recognized for 5 minutes.

Mr. PETE GEREN of Texas. Mr. Speaker, I have the honor of representing the tiny community of Poolville in Parker County, TX, northwest of Fort Worth, TX. Poolville headlined the national news last week with grass fires that left hundreds homeless and charred over 20,000 acres.

I want to thank the Federal, State, and county officials for their dedicated work. They responded innovatively, quickly, and helped divert what could have been an even worse disaster. But, above all, Mr. Speaker, I want to commend the hundreds of volunteer firefighters who fought the blaze until it was finally brought under control, fought it well past the point of their personal exhaustion, and kept going until the job was finished.

Mr. Speaker, the selfless response of the neighbors to the plight of those who were the fire victims, neighbors from hundreds of miles away gave of their time, they gave of their money, they gave of their resources, and they opened their homes to attend to the needs of the fire victims. The response was truly an inspiration.

Mr. Speaker, the Poolville fire was a disaster. The human response to the fire to this disaster, was a triumph of the human spirit.

AN IMPORTANT DAY IN THE LIVES OF ENSLAVED CUBANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. ROS-LEHTINEN] is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, certainly today has been a very important day in the lives of the enslaved Cuban people, people who daily cry out for freedom, for democracy, and for justice, because today we are going to have the privilege of inviting family members of the four pilots who were mercilessly cut down, shot down from the sky by Fidel Castro with his Migs.

Together with the chairman of the Committee on International Relations, the gentleman from New York BEN GILMAN and the Western Hemisphere Subcommittee chairman, the gentleman from Indiana, DAN BURTON, I have invited the family members of the four deceased pilots murdered by Cuban tyrant Fidel Castro aboard the Brothers to the Rescue aircraft to testify before a congressional hearing of the Committee on International Relations which will take place this Thursday, February 29, at 10 a.m.

I think it is important to put a human face on this barbaric act so that the international community and Members of Congress understand that Castro's brutal act will forever leave a mark on the loving memories of these pilots who gave their lives to help bring freedom and democracy to Cuba.

Today, as I have throughout the weekend, I spoke to the father of Mario de la Pena, the mother of Carlos Costa, to the sister of Armando Alejandre, Jr. and with the girlfriend of Pablo Morales. And all these individuals have been called time and time again in the international media as Cuban exiles. I think it is important to note that some of these individuals were born right here in the United States. They are U.S. citizens and yet even though they were born here, they feel very fervently in their hearts that dream for freedom and justice to the enslaved people of Cuba.

Many individuals do not know what Brothers to the Rescue is. There is a humanitarian group that came about because they felt great pain when they would see their brothers and sisters in the high seas being taken over by either the seas or the storms or the sharks in the straits between Cuba and Florida. And so these volunteer pilots, none of them on any payroll, on their own started flying humanitarian missions helping our U.S. Coast Guard in identifying where these rafters were in the high seas.

They would drop supplies to them, such as a bottle of water, perhaps a life preserver so that they could continue hanging onto dear life while the valiant members of the U.S. Coast Guard would fly out there to retrieve them and to be reunited with their loved ones.

We congratulate the U.S. Coast Guard for their valiant service, so many years of service to our community and this humanitarian effort, and they would not be able to do as good a job as they had done without Brothers to the Rescue.

This was another routine flight for the brothers, yet Castro has incorrectly classified them as interfering in his territory, and he sent out his Migs and they shot down these two small planes, Cessna planes from the sky, causing the deaths of what we think is the deaths, they have not, their bodies have not been recovered in spite of many search and rescue missions of the Coast Guard, resulting in the deaths of these four brave men, some of them, as I point out, U.S. citizens.

Were the Brothers to the Rescue planes breaking the law? I think some Castro apologists want to keep bringing that up. I think President Clinton's statement, Secretary of State Warren Christopher's statements, U.S. Ambassador Madeleine Albright's statements have been very clear and to the point. They have said that they were shot down in international territory and this is an illegal act. These were civilian, small unarmed planes where they clearly identified themselves as such. They identified who was in the plane. And they have testified, the pilots who were there, the eyewitnesses as well as U.S. officials, that this was an illegal act and totally contrary to what is normally practiced by free nations.

Obviously, Castro likes to prove time and time again that he is indeed a proud member of that list of the pariah states. Along with Congressman LINCOLN DIAZ-BALART, who will be speaking in just a few moments, we have known what Brothers to the Rescue was all about. We have known about those missions and the community has greatly supported them. Jose Basulto, the leader of Brothers to the Rescue, will also be with us, Congressman DEUTSCH, PETER DEUTSCH spoke today, Congressman MCCOLLUM, PORTER GOSS. This is a terrible crime that has united our community in saying the truth that we have known about Fidel Castro, that he is a merciless tyrant.

So although we congratulate President Clinton for his sanctions, we want him to go further with establishing a naval blockade, establishing international sanctions against the tyrant. We hope to move on legislation to help bring those changes about.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. STEARNS] is recognized for 5 minutes.

[Mr. STEARNS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

[Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

IN UPPORT OF STRONG ACTION AGAINST FIDEL CASTRO

The SPEAKER pro tempore (Mr. DUNCAN). Under a previous order of the House, the gentlewoman from Florida (Mrs. MEEK) is recognized for 5 minutes.

Mrs. MEEK of Florida. Mr. Speaker, I am one of the gentlewoman from Florida, along with my colleagues, ILEANA ROS-LEHTINEN and LINCOLN DIAZ-BALART. I am privileged to rise in strong support of the Helm-Burton bill, which I am a cosponsor on, and also I signed the Cuban Democracy Act. But I did not just sign those bills just for the sake of it, Mr. Speaker, I signed on it because I believe very strongly in the Cuban people and what is happening to them in Castro's Cuba.

From time to time, Mr. Speaker, we are called upon to take strong action against what we see as something that is anti-democratic and in my opinion, it is evil. In the past this body took strong action, an economic embargo, against the evil of apartheid. I strongly supported that. Apartheid in South Africa needed to be released. This country and this Congress came to their aid. Our efforts were successful, Mr. Speaker, and apartheid was ended.

Only a few months ago I had the privilege of greeting the elected president of a free democracy and that is South Africa, President Nelson Mandela. If it were not for this Congress, we would not have been able to do this. I strongly supported the economic embargo against the military thugs who terrorized the nation of Haiti. Today Haiti is making strides and moving toward democracy. And I have had the privilege to greet the democratically elected President of Haiti.

Mr. Speaker, the time has come that we take strong and decisive action against Fidel Castro's Cuba. I repeat, it is time that we take strong action. I am not an expert in foreign affairs. I cannot tell this Government what to do. But I am making a plea for strong action against Castro's Cuba.

It is always difficult, Mr. Speaker, I think, for Americans to truly understand in a personal way the suffering of people in other countries. But I am from Miami, Mr. Speaker, which is only 90 miles from Castro's Cuba. The brutality of the situation in Cuba is something we live with every day. We see what happens with the Cuban people when atrocities are perpetrated against their families who are in Cuba. I do not think anyone that hears my voice would want this to happen to any of their families.

So many of our constituents have fled from Castro's prisons. So many of our constituents still have relatives, mothers and fathers, brothers and sisters. I am asking this Congress to take that into consideration, to think this might be members of their families undergoing hardship and oppression.

So many of my constituents have left everything they worked for. Whatever they had in Cuba, they do not have anymore. So it is important that we understand that, Mr. Speaker. Just as we helped the people of South Africa and the people of Haiti, we must now help the people of Cuba in the time of their greatest need and in the hour of their greatest hope.

There are those who say that we should invest in Cuba and keep closer ties. This is certainly an option but I do not believe it would be effective. I do not think it will work. Foreign investments in Cuba are used to prop up Castro, not improve the lives of the Cuban people. Castro is desperate, as I perceive it, and I get all my information from people in my district. He is very desperate for foreign currency and he will say and do almost anything to get it. He needs that money. But we do not forget that there is no meaningful economic freedom in Cuba.

Workers are prevented from organizing labor unions, a basic economic right we have taken for granted. In fact, under Cuban labor laws employees are actually assigned by the government, not hired by employers. And foreign trade is a monopoly reserved for the privileged friends of the regime.

I could go on and on, Mr. Speaker, telling you the way I feel and the way my constituents feel back in Miami. How can we talk about investing in a regime where workers cannot organize, where employees and workers are exploited and people are still imprisoned for speaking their minds.

We believe very strongly in the freedom of speech here in this country because we have a democracy. If it is a Communist regime, we cannot control it. Therefore, we must work hard to make Cuba into a democracy.

We have been successful with that, Mr. Speaker, all over the world. So we must not break our record with Cuba. He is clinging to power. I think Castro's government is in its death throes, but it is going to need the help of the United States. The Cuban Liberty and Democracy Solidarity Act of 1995 would tighten this embargo against Castro as we did against the corrupt governments of South Africa and Haiti. I believe it will greatly hasten the fall of Castro's dictatorship.

Mr. Speaker, I look forward to the time in the near future when I can greet here in this Capitol the democratically elected President of a free Cuba as I have greeted others, as I have the democratically elected President of a free South Africa and a free Haiti. They all are in the same situation, governed by a dictator. I strongly urge my colleagues to throw their strength behind the Helms-Burton bill. I do not care who developed this bill, Mr. Speaker. I do not care about the argument either in parties or wherever, whether this is a bipartisan issue or not. But I am saying, everyone who has any sense of humanitarian work should appeal and do whatever they can to help Cuba. So I urge Members to support Cuba. It will someday be free, democratically.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

[Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

CASTRO'S TYRANNY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DIAZ-BALART] is recognized for 5 minutes.

Mr. DIAZ-BALART. Mr. Speaker, I want to thank from the bottom of my heart Congresswoman MEEK and, of course, Congresswoman ROS-LEHTINEN. I heard also earlier today Congressman MENENDEZ and Congressman GOSS and perhaps I missed others, but I want to thank them all for their concern on this, about this horrible tragedy that occurred on Saturday. There is so much to say. I really think it is important to put it in perspective.

This is connected, this horrible crime by Castro, is connected to a crackdown that he began on the 15th of February against the internal opposition in Cuba. Over 130 of the dissident groups in Cuba had announced that they were going to meet on February 24th, this last Saturday, peacefully, and seek ways to achieve a democratic transition. They even asked Castro for permission. The answer came in by way of a massive crackdown.

The elected leaders of the opposition and most of the delegates who were already on their way for the February 24 meeting were arrested. The chairman, the national chairman of this group called the Cuban Council, was arrested and summarily sentenced to a prison term, as was the vice chairman. Another vice chairman, a lady, was arrested and taken to a hospital for surgery that the regime called necessary surgery. No one has heard yet from her since. And as I mentioned, the chairman, Leonel Molejon Almagro was sentenced to a prison term. His mother was able to see him once. He was arrested on the 15th of February. She says she fears that he is receiving electroshock torture. And Castro wanted to send a very strong message, spine chilling message to the Cuban people, and he did so on Saturday by murdering Americans who are in unarmed airplanes in international waters on the high seas.

Why did he do that? The message is clear that Castro is sending to the Cuban people. He is saying, if I can kill Americans in international waters with impunity, imagine what I can do to you, the Cuban people. That is the message that he is sending. Every once in awhile Castro needs a dose of blood to scare, terrorize the Cuban people and maintain his totalitarian grip.

□ 1600

But what we have to ask ourselves is to what extent are we going to permit and until when are we going to permit Castro to act with impunity. Mark my words, Mr. Speaker, if President Clinton does not make it clear to Castro that any further attempts at blackmailing the United States will be met inevitably with a total blockade of Cuba, including oil shipments, mark my word we will see in the next hours another attempt by Castro to blackmail President Clinton.

Mr. Speaker, Castro's crimes against humanity began at the very beginning of his regime in 1959 with show trials that seemed, that recalled, the spectacles of the Roman Coliseum, and the crimes continue to this day. In addition to the drug trafficking and the money laundering and counterfeiting and all the crimes that Castro is engaged in, there are additional crimes Mr. Speaker, that clearly qualified as crimes against humanity.

Today I received a message from one opponent within Cuba who is not under arrest at this time, and his suggestion is that we, the United States Government, support the indictment of Castro as a war criminal; in other words, for crimes against humanity in the International Court of Justice in the Hague.

That would be, Mr. Speaker, the clearest way not only to label Castro as what he is, a criminal who engages in crimes against humanity, but there are few things that could give more hope to the Cuban people and hasten the return of democracy than to label the Cuban tyrant as the war criminal that he is. It is necessary, Mr. Speaker, that Castro be told in no uncertain terms that further blackmail against the United States will not be permitted and that a blockade will ensue forthwith once he begins his campaign of blackmail.

These four young men who were murdered on Saturday, my personal friends and constituents, will never be forgotten, and their debts cannot be in vain. We cannot permit the Cuban tyrant to now appropriate the Florida Straits for himself and not only continue with a campaign of terror against the Cuban people, but act as though he is also the ruler and the owner of international waters as well.

President Clinton yesterday announced some steps, which we obviously thank him for, but they were woefully, tragically insufficient. He must sanction truly, truly sanction the Cuban dictatorship, by supporting our Helms-Burton bill, which we are going to pass, we are going to pass in Congress in the next days, and by stating clearly that any attempts by Castro to blackmail the United States will inevitably be met with a total unilateral American blockade that will hasten the collapse of the dictatorship and the return of democracy to Cuba.

THESE MURDERS WILL NOT STAND

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 60 minutes as the designee of the majority leader.

Mr. SCARBOROUGH. Mr. Speaker, I want to thank those members from the Florida delegation, the gentlewoman from Florida [Mrs. MEEK] and of course the gentleman from Florida [Mr. DIAZ-BALART] and the gentlewoman from Florida [Ms. ROS-LEHTINEN] and all the others that have come to this floor today and decided to speak out for freedom and speak out for those very values that our Founding Fathers fought for over 200 years ago, and now though the war for freedom is being waged right off our shores, less than 90 miles away from the United States of America. All I can say is this:

As Mrs. LINCOLN stated before, we have had Castro send a strong message. It is time for America to send a strong message to Fidel Castro and let him know that this will not be permitted to stand, let him know that we will not allow this senseless slaughter to stand, that we will not allow these murders of Americans to stand, flying in a Cessna airplane, being gunned down by a Soviet MiG.

Now many of Castro's apologists in this country and across the world are claiming that these Cessnas may have strayed into Cuban airspace. Well, first of all the facts show that clearly to be false. Fishermen saw the smoke rise and saw the wreckage fall, and that wreckage fell clearly outside of Cuban airspace. But even if those apologists wanted to apologize for Castro and claim that the wreckage fell within Cuban air space, which it did not, still it goes so far beyond the normal accepted standards of international diplomacy and behavior to have Soviet MiG jets gun down unarmed Cessna airplanes that it clearly shows that Castro is a war criminal and should be treated as such.

I am going to be flying down to the area this weekend, and I certainly invite any other members of the Florida delegation to join in, if they wish. As a member of the Committee on National Security and as a member from Florida of the Committee on National Security, I think it is important that we go there, see exactly what happened and ask the difficult questions, and I am going to be calling for hearings. Hopefully we can get a field hearing in Miami at the site of where these planes took off and have a hearing to see what happened, now it happened, and what we can do not only to make Castro pay for what he has committed, but more importantly, to finally bring down after decades of his tyrannical rule a government that is illegitimate and is the last remaining Communist dictatorship in the Western Hemisphere. The fight is for freedom and the fight is for American lives, and again it is extremely important that we do not let these senseless slaughters stand.

I, like many others, would like to thank the President for stepping forward and taking the first step yesterday by talking about some sanctions, which are not sweeping, which do not go far enough, but I am hopeful that this is merely the President's first step. I think we need to step forward with a blockade and let Castro know that it will not stand. I think we need to sit back and even have our military leaders consider selective military strikes against military targets, to let them know that we will not stand back idly and let Americans be killed by a hand of a Communist tyrant. I mean, what is the Federal Government's responsibility in the end?

We have seen an explosion of proliferation of power coming into Washington, DC, but what do our Founding Fathers in the Constitution say this Federal Government was supposed to do first and foremost? It was to protect our shores and to protect American lives.

We have lost American lives now, and the question is are we going to sit back and do nothing, or are we going to respond in an affirmative manner that will make Castro think twice before he decides to kill, murder, and maim Americans again? I think we have no choice.

The history of Castro, really indeed the history of civilization and mankind, shows that the only way to stop a tyrant from being a tyrant, the only way to stop a bully from being a bully, the only way to stop a murderer from being a murderer is to step forward with strong enough responses to scare them from ever doing it again.

We could go back to the ages of the Roman Empire when Julius Caesar put down a rebellion and he struck back and explained to his generals and said why do we not be lenient and let them back in. Julius Caesar said we cannot do it because the order of our society depends on rewarding those who live by the accepted norms in our society and by punishing those that live outside the accepted norms in our society. Fidel Castro has shown this past weekend with the murder of these four Americans that he does not care to live within accepted means of behavior and to be a member of international civilization, and he needs to be punished.

But we do not have to go back to the times of the Roman Empire, the times of Julius Caesar, to see how this plays out. All we have to do is go back to 1984. Do you remember leading up to 1984 when Muammar Qaddafi went around and took credit for every single act of terrorism across the Mideast and across the world, in fact? And he took credit for it and claimed that he was striking back against Americans. Finally, in 1984 some American Marines were blown up and killed in West Germany, and at that point President Ronald Reagan had enough, and he said that it was our responsibility to protect the lives of Americans wherever they were, either at home or abroad, and he went ahead and issued orders for a selective military strike against one of Qaddafi's military bases. The strike was successful. The military base was destroyed. And an interesting thing happened, did it not? The next time there was a terrorist attack in the Middle East, guess who the first leader was to step out and say he had nothing to do with it? It was Qaddafi, because we taught him a very simple lesson, and that lesson was that we were not going to stand for the slaughter of innocent Americans' lives.

That is the same message that I am pleading with President Clinton that he will send to Fidel Castro.

Of course, earlier this morning the United Nations made a pitiful gesture, hardly even condemning these senseless slaughters. Not having the courage to step forward and call a war criminal a war criminal, they merely provided some words. But let me tell you something, friends. Words are not enough. We can talk tough to thugs on the street, to bullies in the school yard, but unless we step forward with positive action and have swift and decisive retribution against those who feel free to kill Americans in broad daylight, we are merely inviting another attack.

As the gentleman from Florida [Mr. DIAZ-BALART] mentioned, Castro felt

he needed to make an example, extract some blood, end some lives, to help extend his own dictatorship in a country that he has run into the ground.

Communism does not work, it did not work for the Soviet Union, it did not work for Eastern Europe, and it has not worked for Fidel Castro. But unlike the Soviet Union, Castro on his tiny island has been able to continue to beat back the will of free-thinking Cubans. This past weekend he took it upon himself to murder four Americans, and in doing so told America and its leaders just how little he feared us. It is time we put the fear of God in Fidel Castro and let him know that this will not stand, and when we hold field hearings, hopefully in Miami in the coming months on this act, and hopefully when we hold hearings up in Washington, DC, we will come up with a clear set of objectives and a clear plan, a clear prescription to rid the Western Hemisphere of this disease we call Fidel Castro and let him know that even if this administration is not going to take the steps required to bring Castro to his knees to pay for these murders, that we in Congress have come up with a plan that the next administration who comes to Washington can pick up and carry through.

These murders will not stand, and they will not stand because the first responsibility of this Federal Government under the Constitution given to us over 200 years ago was to protect and defend the shores of the United States of America, and we will be promoting freedom and we will be doing what our Founding Fathers wanted us to do with the most noble tradition of Thomas Jefferson, George Washington, and all our other Founding Fathers.

□ 1615

When I was back this weekend I held town hall meetings. Not only were they talking about the need to expand freedoms in Cuba and across the globe, many were talking about the need to expand freedom in our own country, in our own backyard. The fight is over for the United States to conquer the world. We are the lone superpower. Now it is time, though, for us to take care of our own backyard, to take care of Castro, and to turn our attention inward and look at some of the problems we are facing in America.

In fact, at my town hall meetings across northwest Florida, I had so many people come up and tell me to stay the course, to fight for the things you fought for in the 1994 election, to fight for freedom, to fight for personal responsibility, to fight for less government, to fight for less taxes, to fight for less regulation, and to fight for more freedom. That is what we promised to do in 1994 and that is what we have done for the past year.

We lived by a very simple creed. That creed was do what our Founding Fathers told us we were empowered to do in the Constitution. During my campaign and during the campaign of many other conservative Republicans that were elected to this institution in 1994, we talked about Madison and Jefferson and the Constitution. We quoted James Madison, one of the three Framers of the Constitution, and talked about the need to decentralize the Federal Government and to empower communities and empower families and individuals.

James Madison, who was one of the three Framers of the Constitution, said that we have staked the entire future of the American civilization not upon the power of government, but upon the capacity of each of us to govern ourselves, to control ourselves, and to defend ourselves according to the Ten Commandments of God. That was about freedom. That is what they were fighting about at Lexington, the freedom to get away from a highly centralized, tyrannical dictatorship in England under King George III, the same type of centralized government that we now see by Castro in Cuba and across other parts of the world, in China.

We also talked about Jeffersonian ideals. It was Jefferson who said, ''The government that governs least governs best.'' People respond to that. That is what the electoral revolution of 1994 was about. It was about freedom, freedom to go to work and to make wages and work hard to live the American dream and bring those wages home; and possibly, after working for many years in a business, possibly going out and taking the chance of starting your own business without interference from Washington, DC, and without interference from your State capitol. It is about freedom.

Jefferson, he was not saying the government who governs least governs best because he was antigovernment. That is an important distinction to point out after the tragedies that occurred in Oklahoma City. Jefferson believed in the power of government, but he believed in the power of government and he believed that the most noble thing, the most noble pursuit any government could pursue was the protection of God-given freedoms. That is what the Constitution says, that is what the Declaration of Independence says, and that is what they put into practice in the Bill of Rights.

Many of you, I am sure, have heard presidential candidates talking about the 10th amendment. Let me tell you something; of all the amendments we have, the 10th amendment tells us what we should do as a Federal Government more than any other amendment. Again, this is what we campaigned on. The 10th amendment says, ''All powers not specifically given to the Federal Government are reserved to the States and reserved to the citizens.'' Is it not great that in our Constitution, unlike the Soviet Constitution that the Soviets lived by for many, many years, that we believed that the powers came from God to the individual. The Soviets believed powers came from the State to the individual, so when the Founders made the two Constitutions, these God-given rights, according to our Founding Fathers, and I am not being a religious extremist here, I am not being a fanatic—I can mention the word God in this Chamber because I am merely quoting what the Founding Fathers said—these God-given rights came from God above to the individual. The Soviets, because it came from the State to the individual, felt like they could take out those rights at any time.

Our Founding Fathers gave us a government to keep the Federal Government out of our way and gave it the sole responsibility to protect those freedoms and to protect Americans across the globe.

Because of that, when we came to Congress we, as freshmen, felt firmly committed to those things we campaigned on, to get the power out of Washington, DC, to get the money out of Washington, DC, to get the bureaucracy out of Washington, DC, and send the money and the power and the authority back to the States, because the Federal Government grew way beyond what our Founding Fathers ever envisioned it would grow.

What is the first thing we talked about? We talked about the need for tax reform. We talked about the need to get the Federal Government out of our pockets. It was very interesting. If you stay in Washington, DC, inside the Beltway long enough, a funny thing starts happening. Your brain gets clouded. You get a brain cloud. It is hard to recognize what reality is.

I will tell you what; back home at my town hall meetings, I found out what reality was. I found out when a young, single father earning less than $30,000 said,

> Congressman SCARBOROUGH, please continue to fight the administration and the liberal Democrats in Washington that do not want us to get any tax relief. Do not listen to them. Please remember who you are doing it for.

I said, ''You know, it is difficult, because they are painting this as tax cuts for the rich and they are saying that we are trying to help out wealthy people.'' He said,

> You have got to stay the course. I am working over 50 hours a week. I have two children. I cannot afford health insurance. I cannot afford to put any money aside for my children's education fund. I cannot afford to pay my bills. And it is because before I get the first dime from my paycheck, I am sending 25 percent of it to Washington, DC. You have got to do something to help.

So I started doing a little bit of research. I found out something that was actually shocking, and went completely against the grain of what the most liberal Members of Congress and the most liberal members of the administration have been telling the American people for the past year. I found out that these so-called tax cuts for the rich and for the wealthy did not actually go to the rich and the wealthy. CBO scored it this way, that 89 percent of the tax relief that we have put on the table goes to working-

class families making less than $75,000. Let me say that again. It is easy to blur the distinctions when you hear somebody get up and yell, They are giving tax cuts for the rich. Our tax relief plan, which will help start a process where we will free working-class blue-collar families from Federal Government enslavement, our plan allows working class families earning under $75,000 to get tax relief. Eighty-nine percent of the tax relief in our plan goes to working class families. We have to keep fighting for that. We cannot back down. We cannot be cowed by demagoguery. We have to stay the course.

Mr. Speaker, let us talk about the impact on American families. It is important to recognize that even under our plan that people said cut taxes too much, that even under our plan revenue to the Federal Government in the next several years is going to be increasing by 37 percent. Yet we have the administration and Members in this body say we are cutting taxes too much.

We are not cutting taxes too much. The working-class families making less than $75,000 that are getting 90 percent of the benefit from this tax cut plan are going to be paying 37 percent more taxes to the Federal Government over the next 7 years. That ain't a tax cut, folks. That is not radical. That is providing real relief to working class families.

Again, we talked about it when we talked about what Castro was doing in Cuba, squashing freedoms; to a much lesser degree, that is what this Federal Government has been doing. It has been moving towards a centralized Federal Government that is trying to take freedom away. Our tax relief plan helps free working class families from the crushing tax burden.

It is also important to recognize that the average middle-class American is going to work 50 percent of their time to pay off taxes, fees, and regulations imposed on them by the Federal, State and local governments. That means that you work from January 1 to June 30 for the Federal Government. You do not get a cent. When you go to work on Monday, you are working for the Federal Government. Go to work on Tuesday, you are working to pay taxes to the Federal Government. When you go to work on Wednesday, you work until lunch, half of your week, paying taxes, fees, and regulations to the government. Let me tell you something, that is not the vision that our Founding Fathers had when they set up this constitutional Republic over 200 years ago.

I want to go on and talk about regulations and the burden that that puts, and sort of talk about the debt. But before I do, I yield to my friend, the gentleman from Florida [Mr. DIAZ-BALART], to talk a little more on the situation with Cuba. While you were away, I was talking about what Ronald Reagan did in 1984 in Libya where we actually had the courage to strike at the heart of the tryant that killed Americans back then.

Let me ask you this, these were your friends: Do you not feel that the four Americans who were murdered this past weekend are every bit as important as those three Marines that were murdered in West German that caused Ronald Reagan to scramble the jets and go over to Libya and strike at the heart of the tyrant?

Mr. DIAZ-BALART. Yes, Mr. Speaker. I thank the gentleman so much for yielding, and I did have the opportunity to listen to his very eloquent remarks, as always, but I thank him for his words of genuine concern about the death of the constituents from my district and the district of the gentlewoman from Florida, [Ms. ROS-LEHTINEN].

Mr. Speaker, I appreciate the opporunity to put into a little bit of a perspective or context the murders of Saturday. As I stated briefly before, it was back in December when 130, over 130 pro-democracy groups in Cuba came together and formed a sort of parliament. The whole gamut of the ideological range is represented by what is known as the Cuban Council. From Christian Democrats and supporters of limited government to Democratic socilists, the whole gamut of pro-democracy people in Cuba came together, and they announced to the world that they had come together. They have differences, but they came together on the concept of elections, democracy, respect for human rights, release of all political prisoners. They were going to meet publicly for the first time.

They sent a letter to Castro asking for authorization to meet, and they did that in December. They asked the Catholic Church's cardinal in Cuba to be present as an observer. They asked the Martin Luther King Center for Nonviolent Change to also send observers. Castro's answer came—that was in December—beginning on the 15th of February.

They had said they were going to meet on February 24, this last Saturday. February 24 is the date in Cuban history that is remembered as the beginning of the war of independence against Spain in 1895. So these over 130 pro-democracy groups said, ''We want to meet on February 24. We want authorization.''

On February 15, Castro began his crackdown and arrested the leadership, and most of the delegates, some of them were already on their way because the crackdown began on the 15th, but between the 15th and last Saturday the crackdown continued. Over 100 of these pro-democracy activists were thrown in jail.

□ 1630

And as I mentioned before, the leadership, in summary trials, were sentenced to prison terms. Of the two vice presidents, one was already, the vice chairmen, the one was already sentenced to prison, the other one, a lady I mentioned before, she was taken to a hospital for surgery. I mean, that is really Orwellian.

If ever there is an example of something that is from 1984, ''The Brave New World,'' the horrible novels about the total, all-encompassing totalitarian state, imagine this vice chairman of this pro-democracy umbrella group taken to a hospital and given some sort of surgery that we do not even know what it is, and no one has been able to meet with her. The chairman that I mentioned before, he was sentenced already to prison, and his mom, who had an opportunity to see him briefly once, she is convinced that he is receiving electroshock torture.

Now, this has been happening since February 15. Note that the Brothers To The Rescue, it is a humanitarian group of volunteers who fly out of Miami looking for refugees to save lives.They have flown over 1,800 missions. They have saved thousands of refugees. If they see refugees on a raft, they call the Coast Guard and they save the lives of those refugees.

Every Saturday, the Brothers To The Rescue, they fly missions. It is a standard practice for that wonderful humanitarian group. Interestingly enough, on Friday, February 23, a gentleman who had defected from the Cuban Air Force less than 2 years ago, and he had gone into the base at Guantanamo, he said he was a defector, he had volunteered during these months that he was in Miami at the Brothers To The Rescue mission there, and on Friday all of a sudden he disappeared. He had gotten married, by the way, in Miami and had some family there. He disappeared. His family did not know where he was. And he appears all of a sudden in Cuba.

So Castro then says, I have got one of these pilots from Brothers To The Rescue and they are a terrorist group. So this spy have been planted here in the United States to infiltrate Brothers To The Rescue, and notice what premeditation existed with regard to this murder. Castro knew that on Saturdays they fly, that this day, the 24th of February, which was a day he is so scared about because it was the beginning of the pro-democracy conference, that there would be a Brothers To The Rescue flight, and he, with premeditation, decided to knock down planes, shoot down planes and kill the American citizens on those planes on February 24.

As I stated before, the message is clear to the Cuban people. Castro is saying, I can act with impunity, not only against you, but against Americans. If I can act with impunity against Americans, imagine how you, the Cuban people, have got to be scared. So Castro does that very, very purposefully.

Mr. SCARBOROUGH. Reclaiming my time just for a moment, I think it is important because you talk about these flights and, again, I have heard apologists for Castro, the same people who so warmly embraced him back in

October, basically claiming he was a hero when in fact he is the Western Hemisphere's own version of a little Stalin, these same people are now apologizing for Castro, suggesting that the murders occurred in Cuban airspace.

I want to just bring up briefly and have you discuss this excellent Miami Herald article where we actually had a fisherman say that the murders occurred well within international air space. Can you talk about that for a second? Because this is what I hear on talk radio. When I call in, people are saying, well, but did they strays into the Cuban Air space? Would you mind addressing that?

Mr. DIAZ-BALART. That is such an important issue because, No. 1, obviously even if they had, international law is clear. You do not shoot down unarmed civilian aircraft if they happen to stray over the territory of a country. We do not even shoot down drug dealers. I mean, international law does not permit you to shoot down a drug dealer unless that drug dealer is shooting at you or threatening by flying over the land that the drug dealer is flying over.

You follow the drug dealer, you tell the authorities where they are flying to. So they are reported, but you do not shoot down even criminals, much less unarmed American citizens on a humanitarian mission, over 1,800 flights flown, missions flown, never have they carried even a handgun.

Mr. SCARBOROUGH. And Castro knows that.

Mr. DIAZ-BALART. Completely, and he even had a spy. He even had a spy within the organization that the day before the murders he took back to Cuba, and he had him there for the day of the murder saying that he had been a pilot for Brothers To The Rescue and that they are a terrorist group. It was all planned. It was all premeditated.

You bring up a fascinating article that came out today in the Miami Herald. It so happens there was a fishing boat right under the airplane, one of the airplanes that was shot down, and very near the other one that was shot down. It is very interesting about the issue of territorial waters which, by the way, is irrelevant because they could not have shot them down even if they had strayed into the territorial waters of Castro's Cuba.

But this fisherman, he said he had last checked his coordinates 2 hours before the attacks. Back then, he was about 12 miles north of Cuba's coast. Twelve miles is the international line. But it was a clear day, he could see Havana. Since then, his boat had cruised north for about 2 hours at about 8 miles an hour. So that is about, you are already talking at least 20 miles now.

Mr. SCARBOROUGH. Right.

Mr. DIAZ-BALART. At least 20 miles away. At least 8 or 10 miles out of the international line. The boat was at least, the fisherman says that the boat was at least 20 miles off Cuba when he saw the planes being shot down. He says in your mind, this fisherman, Mr. Reilly, says after he got back to the United States, because he did not realize what he had seen, he thought it was shooting practice, because he says, in your mind, you do not think somebody is going to shoot something down with people in it. And then he says the boat was at least 25 miles off Cuba. ''I know exactly where we were. It was definitely no doubt in international waters. They were heading north again about two miles away from the wreckage, the first wreckage. Then they saw a small, another small white plane circle past the north. It was headed northeast. All of a sudden, here comes a jet right behind them and I watched this missile ignite off his left wing. I started counting, one thousand one, one thousand two, one thousand three, one thousand four. It blew up the second plane. It was about 200 feet above the water. It tumbled twice and it fireballed before it hit the water. You could see flames and smoke when it hit. I would say the possibility of survivors on the second plane as well is absolutely zero.''

So we have actually eyewitnesses, as also people on a cruise ship saw it from a little more distance: Definitely in international waters.

Mr. SCARBOROUGH. If you could yield just for 1 second, you know, I, by hearing this account, and it is a harrowing account, thinking about a Cessna plane flying and a jet firing these missiles at him, at a Cessna. I am reminded of a common strain that runs through the characteristics of most tyrants, people like Hitler and Stalin and Castro. They are complete and utter cowards, putting a jet up against a Cessna unarmed.

Mr. DIAZ-BALART. Unarmed.

Mr. SCARBOROUGH. An unarmed Cessna, knowing it is unarmed, knowing the people inside are freedom fighters, knowing that they have committed no acts of violence against Cuba, knowing that they can do nothing to strike back and, unfortunately, calculating that America's response is going to be weak and tepid. And I think that is where hopefully we can come in as a Congress and urge the President of the United States to do what his duty is and send a strong, strong message to Castro, letting him know that it will not stand.

Mr. HASTINGS of Florida. Mr. Speaker, will the gentleman yield?

Mr. SCARBOROUGH. Yes, I yield to the gentleman from Florida.

Mr. HASTINGS of Florida. Mr. Speaker, I appreciate so very much the gentleman yielding and I appreciate my colleague from Florida and his leadership, as well as the leadership of the gentlewoman from Florida [Ms. ROS-LEHTINEN], and the gentlewoman from Florida [Mrs. MEEK], in this regard. I have just arrived and have not had an opportunity to come to the floor, but I want to make it very clear that I support the action as offered by LINCOLN DIAZ-BALART and ILEANA ROS-LEHTINEN and denounce totally the shooting down of unarmed airplanes in either Cuban waters or international waters.

I have heard this argument made about the planes, where they were shot down. I would hate like the dickens to feel that an unarmed airplane coming into the United States with no obvious military mission would be shot down. We have forced planes down from Cuba into Florida air space without having to shoot them down and certainly had the ability to shoot them down. On that score, there is no question but that the act itself was extremely ruthless, and appropriate action and response should be undertaken.

I would immediately say that the actions taken by the State Department and by the President of the United States were appropriate for that time, but they certainly need to stay in consultation with those of us and especially LINCOLN DIAZ-BALART and ILEANA ROS-LEHTINEN, who have a clear understanding of the dynamics that are involved in trying to eradicate this dictator.

Mr. SCARBOROUGH. Reclaiming my time just for 1 minute, I would ask you as a judge, I want to ask you a question. If you had somebody that owned a convenience store and a 6-year-old came in and picked up a pack of gum and started walking out that door, and that convenience store owner had the ability to go over and take the gum out of that child's hand but instead shot him dead with an assault rifle, as a judge, would you say, well, this is a thief? Even, again, I am saying even if they were in Cuban air space, and this shows clearly that they were not, what would you do as a judge?

Mr. HASTINGS of Florida. I would certainly not condone the overreaction of the store owner in your analog. But putting this in its proper context, there are international laws that countries that are decent observe. This was an indecent act, and that is putting it mildly.

I really appreciate an opportunity to intervene in this special order, but I just wanted to have it clearly understood I will have more to say in the appropriate stages, but I did want it understood, certainly by my colleagues, where I am coming from.

Mr. SCARBOROUGH. I thank the gentleman and yield back to the gentleman from Florida.

Mr. DIAZ-BALART. I was very disappointed that President Clinton yesterday, when he announced his sanctions, and it is a separate issue, the fact that I think they were woefully insufficient. But I think that I was very disappointed that he never mentioned, not once, that the downed airplanes were American airplanes and that the murdered men within them, the passengers, were Americans.

Not once did he say that. Now, the question that I would have for the

President is because these murdered Americans were of Cuban descent, does that not make them American? Are they not, do they not merit to be called American citizens? One of them, my good friend Armando Alejandre, he was a war hero. He went to Vietnam, two tours of duty in Vietnam. Is he not an American? The other two Americans born in the United States, are they not Americans for the President? Why did he not even mention once the fact that these airplanes were American airplanes in international waters with Americans murdered within them? That was really insulting that not once did the President even choose to call them Americans.

Now, Castro acted with premeditation. The fact that he had, he withdrew the spy that he had planted in Brothers to the Rescue, and to showcase him with lies in Cuba the same day of the downing of the airplanes and the murder of the American citizens, that shows the premeditation, the level of premeditation by Castro.

One former military officer who has visited Cuba recently was asked by a high-ranking general in the Cuban Government, what would the Clinton administration do if we shot down one of those Brothers to the Rescue airplanes? And he reported back to Warren Christopher.

Mr. SCARBOROUGH. Can you repeat that again? When did that happen?

Mr. DIAZ-BALART. Yes, about 4 weeks ago.

Mr. SCARBOROUGH. That is shocking.

Mr. DIAZ-BALART. About 4 weeks ago.

Mr. SCARBOROUGH. They asked what would happen?

Mr. DIAZ-BALART. A delegation of former military people who advocate getting along with Castro, you know, it is a very small group of left-wing former military people that are always advocating for better relations with North Korea, with China, and of course they are advocating for better relations with Castro, they went to Cuba to see the nuclear power plant that Castro is building down there and to meet with the Cuban officials and General del Todo, one of the high-ranking thugs around Castro, asked former Admiral Carroll what would the United States do if we shot down a Brothers to the Rescue plane?

□ 1645

And Carroll came back, and he told Warren Christopher that, so notice how Castro has been planning this for weeks, if not months.

Obviously, what he said the other day, the message to the Cuban people, as I stated before, is if I can kill Americans with impunity, imagine what I can do to you, and the message to the Clinton administration is obviously clear, no respect, and you know he is laughing at the lack of response of the Clinton administration.

But, as you said, if the administration will not protect American lives, we, in Congress, will. We will pass our sanctions bill. We will not permit the murder of these U.S. citizens go unpunished, and I truly believe that the President's measures were woefully insufficient.

I recommended to him before he announced his insufficient measures yesterday that he announce that any further blackmail by Castro, like the immigration blackmail by Castro, like the immigration crisis of 1994, will be met inevitably and immediately by an American embargo of Castro, including oil shipments, and mark my words, that blackmail is coming unless President Clinton can change right now his course of action and convey clearly to Castro that he will face a blockade if he threatens the United States once again.

He believes, Castro believes, that he can once again terrorize President Clinton with blackmail. We, we here in Congress, must pass our sanction bill, as we will. We certainly hope that we can get the support of the President. He is moving in our direction but still has not supported the House version, which is the firm version of the Helms-Burton bill, and as I stated before, and this idea came from Cuba, from a prodemocracy group today, that the United States must seek the indictment of Castro for crimes against humanity in the international court of justice in The Hague.

There are clearly crimes committed in the recent past by Castro, even though his crimes began with the show trials and the firing squads in 1959, but clearly the use of electroshock torture on political dissidents like Nujenio Lesosa, who has been here in Congress with my dear friend, the gentlewoman from Florida [Ms. ROS-LEHTINEN], and right now today, Colonel Enrique Labrada, who has held a prodemocracy demonstration in October or November of last year, they are receiving electroshock torture. Mr. Labrada is still in this day receiving electroshock torture.

The murder of unarmed men, women, and children, like in the tugboat that was sunk on July 13, 1994, over 20, over 40 men, women and children, mostly children, upon the direct order of Castro, that is a crime against humanity.

The gentlewoman from Florida [Ms. ROS-LEHTINEN] and I here have received, we have in our offices a 10-year-old boy who came with his parents in a small boat and told us how helicopters, it was at night; they were saved by the fact that it was nighttime, were dropping these large sandbags on the raft to sink the raft. A 10-year-old boy told us how he managed to survive that. Of course, the February 24, 1996, murder of American citizens in international waters, those are crimes against humanity that must be punished.

I know Mr. Clinton may wish he did not have to confront the Cuba problem. He obviously could like not to have to. But he has to protect, he is constitutionally required to protect, the lives of American citizens. It is his constitutional duty.

We have got this court of justice in The Hague as part of the U.N. structure. We pay a lot of U.S. taxpayer dollars to maintain it. I think it is the appropriate forum to discuss these crimes against humanity, even if we do not go in and arrest them, and I think we should. But even if we do not go in and arrest them, there can be few things that would give more hope and hasten more the liberation of Cuba than to label through the indictment in the international court of justice, Castro as the war criminal that he is.

Mr. SCARBOROUGH. Reclaiming my time, I want to recognize another Member from the Miami area in a moment. But let me just say, adding to what you said, you talked about this meeting with Christopher that the information that got to Warren Christopher, and they were asked what would happen if we went ahead and blew up some of these planes, obviously the response was tepid, and let us go back through our history not only with Castro but, again, American history. Look what happened in 1994 when North Korea asked what would happen if we invaded South Korea. Harry Truman at the time gave a tepid response, and as a result of it, we had the war that cost tens of thousands of American lives.

We are making the same mistake in China right now. We continue to bow down to Communist oppression in China, and we have done the same thing in Cuba over the past 35 years. So it is no wonder that Castro feels emboldened. I mean, the guy has learned over the years that you can kick America and they are not going to kick back. It goes all the way back to the Bay of Pigs, when America did not fulfill the duty that it was supposed to fulfill, to go in and liberate Cuba then and to bring freedom to the islands, and it has fast-forwarded to a few months ago when they asked what happens if we blow up Cessna airplanes.

I do not want to point fingers, but let us get back to what you said. What would somebody say in the Clinton administration if somebody from, let us say, Bulgaria said, listen, if some people from Kansas are flying across the Atlantic Ocean and we decided to take them out, what is your response going to be? Do you think that they would have a tepid response to that? No. They are buying into the Castro propaganda that this is somehow an arm of some militant revolutionary guard. It is Americans who have fought for the American cause in wars, like you said, in Vietnam. They are Americans in American planes fighting for a very American cause of freedom.

Bill Clinton's administration, I am not pointing directly at Bill Clinton on this one, but the administration has given a tepid response, and because of it four Americans are dead today that we, as a country, should have protected, and now it is our duty to step forward as a Congress and do that.

I yield to the gentlewoman from Florida [Ms. ROS-LEHTINEN].

Ms. ROS-LEHTINEN. I congratulate our colleague from Florida [Mr. SCARBOROUGH] for taking the opportunity to discuss what we believe is an international incident of epic proportions that could very well change the nature of relations between our countries, and we hope that they change in the way that will help bring about democracy, freedom, and justice to the enslaved people of Cuba, who have been under the yoke of communism and godless communism for over 35 years.

We have been talking, and the gentleman from Florida [Mr. DIAZ-BALART], with his many years of experience in this, was talking about the crackdown on incidents, the human rights violations. We know that if you are a person who wants to practice your faith, no matter what faith that is, if you are in Castro's Cuba, you are unable to practice your faith, you are unable to worship your God because the only God that is allowed to be worshiped in Cuba is Fidel Castro, and I think that that positive change is going to come about.

The gentleman from Florida [Mr. DIAZ-BALART] has been talking about the change that could be possible in Cuba without Castro, but certainly with Castro there, those changes are going to be very difficult to bring about. And that is why we saw this as a very sad opportunity, but an opportunity nonetheless, to bring further sanctions, and on this we have a very strong bipartisan support, especially in our Florida delegation, whether it is the gentleman from Florida [Mr. HASTINGS], who has always been in favor of freedom and democracy for the enslaved people of Cuba, whether it is our colleague, the gentlewoman from Florida [Mrs. MEEK], who is always there with us, the gentleman from Florida [Mr. DEUTSCH], who has been in a leadership position for us, the gentlewoman from Florida [Ms. BROWN], in fact, if I say all of the names, we will be here for a long time because we have many wonderful colleagues on both sides of the aisle who know and understand the suffering of the Cuban people.

But I wanted to have the gentleman from Florida [Mr. DIAZ-BALART] take this opportunity, if I could, to explain to the American public what has been going on with the nuclear powerplant in Cuba and also to talk a little bit about the lords intelligence facility, which has not been discussed at length, which is also a very important element of our United States-Cuba relations and the Soviet Union, the new Soviet Republics are very much tied in.

The gentleman from Florida [Mr. DIAZ-BALART], what would you say, what is your opinion on those who say that we should have a North Korea type of solution to the unsafe, dangerous unsafe nuclear powerplant in Cienfuegos, Cuba, those who say we should go in there and help Castro build the best darn nuclear powerplant that we can get?

Mr. DIAZ-BALART. God save us, God saves us, Congresswoman ROS-LEHTINEN, from a North Korea solution for Castro. The reality of the matter is the administration decided when they heard North Korea was building some nuclear powerplants, maybe they could use some of that nuclear power for transformation into nuclear weapons. They went in and offered $5 billion to the North Koreans to build for the North Koreans the nuclear powerplants with the promise that in 5 years we can go and inspect. Now, God save us from that solution for Castro, because if Castro has been able to, as he has, blackmail the United States with refugees, because that is what he does, he has already begun, we will see in the next hours, Mr. Speaker, we will see in the next hours, I am very confident in the next hours we will see again some more blackmail using refugees because it works for Castro.

The last time he did it, he got Clinton to sit down with him, and he no longer has the Soviet Union that protects him, because the Soviet Union had worked out the deal at the end of the missile crisis in 1962 where the United States committed not only to not permit an invasion, to permit anybody to do anything against Castro from anywhere in the hemisphere. It has been comfortable for Castro to rant and rave against the United States since 1962 with the United States as bodyguard. There is no Soviet Union now. The Soviet Union collapsed in 1991, and Bill Clinton got elected in 1992. Castro no longer has the shield of the agreement with the Soviet Union, because there is no Soviet Union, but he managed to get Bill Clinton to sit down at the table and work out a so-called immigration agreement with him, which is a sword, in effect, over the head of President Clinton because it can be withdrawn at any time, the agreement, and now with sanctions that have to come because the President has a constitutional obligation to protect American citizens, with Castro I have no doubt he will start trying to wield that sword up again, shake that sword again, I will send you refugees. Tyrants cannot be appeased.

Ms. ROS-LEHTINEN. Another thing, if I could, a naval blockade which would enable no supplies to get to Castro, if you could explain how that would work.

Mr. DIAZ-BALART. With regard to your earlier point, which is so important, though, imagine Castro with refugees has been able to blackmail the United States, it is laughable, but it happened with refugees, he has been able to blackmail the United States, and imagine with a nuclear powerplant. That is an accident in the making, or an incident in the making, because Castro can say, you know, just like he says, what are Castro's codewords for every time he threatens Clinton with an immigration crisis, ''I cannot control my borders.'' Well, imagine, ''I cannot control my safety of my nuclear powerplant,'' imagine that. And that is now, that is something that could affect the lives of people in half of this hemisphere if he creates an incident with a nuclear powerplant. So we cannot, because of national security concerns, permit a nuclear powerplant to be built in Cuba during the dictatorship of this madman.

I think what we need to do sooner or later, I am convinced it is going to come anyway, I mean even Neville Chamberlain had to confront the tyrant Hitler. If there is anybody in the history of the 20th century that did not want to have to confront the tyrant Hitler, it was Mr. Neville Chamberlain. I have here ''Peace for a Generation,'' remember that, Neville Chamberlain, when he came back from Munich, Mr. Duvalier, the Prime Minister of France, if there had ever been a pair of tough hawks in this century who did not want to have to challenge Hitler, it was Duvalier and Chamberlain. Even they had to challenge the tyrant Hitler, and the reality of the matter is that President Clinton, whether he likes it or not, since Castro does not respect him, and the other day he already called Warren Christopher a cynical liar. I do not think anybody called Warren Christopher that, he is such a diplomat. Castro called him a cynical liar. He is going to continue calling Warren Christopher and Clinton and everyone else names. We have a report of what he called President Clinton. He said his knees shake, that is what he called President Clinton, his knees shake and he has no backbone. That is his description in public of President Clinton. Sooner or later, since he does not respect President Clinton, he is going to continue to blackmail and continue to blackmail and continue to blackmail, and sooner or later the American Government is going to have to help the Cuban people free themselves of that tyrant, then the Cuban Republic will be among the best friends, as traditionally they were, of the American people and American Government, the Cuban Republic, however, independent, free, sovereign, and democratic.

Ms. ROS-LEHTINEN. I am optimistic that day is around the corner, and with the help of all the countries joining together, we will make that dream of freedom a reality for the enslaved people of Cuba.

Mr. SCARBOROUGH. I thank both of you.

Again, we are going to be going down there this Friday, and I am looking forward to input from all the Florida delegation and also those who have suffered under Castro as we try to move the Committee on National Security, of which I am a member, to hold hearings, hopefully, field hearings down in Miami, down where the incident occurred, to see what happened and to come up with a strategy to make sure

that such a disaster never happens again. We have no other choice. We must stand up to Castro. We must protect American lives, and we will do that.

Freedom will come to Cuba, and we will win that fight because we have no other choice. We are Americans.

□ 1700

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which the motion was entertained.

Votes will be taken in the following order: H.R. 2196, de novo; and S. 1494, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

NATIONAL TECHNOLOGY TRANSFER AND ADVANCEMENT ACT OF 1995

The SPEAKER pro tempore. The pending business is on the question de novo of suspending the rules and concurring in the Senate amendments to the bill, H.R. 2196.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland [Mrs. MORELLA] that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2196.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HOUSING OPPORTUNITY PROGRAM EXTENSION ACT OF 1996

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and passing the Senate bill, S. 1494, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. LAZIO] that the House suspend the rules and pass the Senate bill, S. 1494, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. WATERS] is recognized for 5 minutes.

[Ms. WATERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

ENVIRONMENTAL PROTECTION STILL VERY MUCH ON THE MINDS OF THE AMERICAN PEOPLE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE], is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I am not sure that I will use the entire time, but I did want to seek recognition today to talk about environmental concerns, and particularly to point out some of the results of a hearing that our Democratic Environmental Task Force held yesterday on February 26. We had a full, I guess, 2 or 3 hours of hearings. We heard from not only the Secretary of the Interior, Mr. Babbitt; the EPA Administrator, Ms. Browner; and also Assistant Attorney General Schiffer, but also from a distinguished panel of citizens from around the country who are concerned about environmental protection.

The reason for the task force existence and the reason for the hearing yesterday was because of our concern, Democrats' concern, that the Republican leadership in the House of Representatives has essentially used 1995, our previous year, in order to try to turn back the clock on 25 years of environmental protection in the United States.

For more than a quarter of a century, there has been a consensus, a bipartisan consensus in Congress, as well as with the President, largely with Democratic Congresses and mostly with Republican Presidents, or sometimes Democratic Presidents, but in any case on a bipartisan basis for 25 years this Congress has tried to protect the environment, improve the laws, improve enforcement, improve inspections, so that polluters, whether they be polluters of the air, the water, or our natural resources, would have to stop their efforts to continue the degradation of the environment, and if they did not, they would be penalized severely, hopefully, for their activities that were detrimental to the environment.

In fact, in many ways we can hark back to the days in the 1970's, in the early 1970's, when the Environmental Protection Agency was created under then President Richard Nixon. It was a Democratic Congress, but a Republican President in 1970 who created the Environmental Protection Agency. In fact, when the first Earth Day was organized back in 1970, President Nixon and the Republicans in Congress were very supportive of the efforts to move forward on environmental protection.

But this 25-year consensus, this 25 years, if you will, prior to 1995, when every year stronger environmental protection laws were passed and money was made available for enforcement and inspections for our environmental laws, all of a sudden in 1995 this consensus was broken and we saw the effort on the part of Speaker GINGRICH and the House Republican leadership to roll back environmental protection. And whether it was through authorizing bills or cutbacks in the budgets for these various environmental agencies, all of a sudden there was an effort by the Republican leadership to change this 25-year consensus.

The reason for that I believe very strongly is because of special interests. In other words, corporate interests, the polluters, if you will, were very much behind the Republican leadership in saying look, the time has come to turn back the clock and we expect you to come down to Washington and help us to make it easier, if you will, or less stringent, with regard to pollution, and less stringent regulations and less stringent statutes and less money available for these agencies to do their work was essentially the order of the day.

I feel that it is an obligation, not only of the Democrats but also of moderate Republicans who support the environmental protection agenda, to point out what is happening and how extremist this Republican leadership agenda is that seeks to essentially turn back the clock on environmental protection, because we know that the American people consistently support strong environmental laws and strong enforcement of those environmental laws. In fact, a survey was recently done, which I would like to point to, by American Viewpoint. It pointed out that by greater than a 2.1 margin, voters have more confidence in the Democrats than Republicans as the party they trust most to protect the environment. In fact, it even pointed out that 55 percent of all Republicans surveyed do not trust their party when it comes to protecting the environment, while 72 percent of the Democrats do trust their party to protect the environment.

So the bottom line is that environmental protection is very much still in the forefront of the minds of the American people. They did not elect a Congress in 1994, whether it be under the Republican majority or Democrats in the minority, they did not elect a Congress with the idea that the leadership of the Congress was going to come down here and try to turn back the clock on environmental protection.

What I think has been happening though is that in 1995, while this effort was going on on the part of Speaker GINGRICH and the Republican leadership, more and more they began to become aware of the fact that, particularly toward the end of the year, that this was not a popular agenda, that destroying environmental laws and turning back the clock was not something

the public was responding to in a favorable way. What we see now is an effort in some ways by the Republican leadership to suggest to their Members that perhaps they should go slow on this agenda, or maybe they should vote for the antienvironmental agenda, but not give the impression back at home that is what they are doing.

A memo was put out in fact to the Republican membership by one of my colleagues, the gentleman from Texas. TOM DELAY, who is in the Republican leadership, on September 29, 1995, and what he says essentially is that Members, when they go back to their districts, and we just finished a district work period, about 3 weeks when we were not in session and we were back in our districts and States and congressional districts, what this memo says that Republicans when they go home should try to at least give the impression to the public and the media that they are trying to protect the environment, even while they come back here and vote very differently.

The gentleman from Texas [Mr. DELAY], suggests certain action items like tree planting. He suggests that Republicans should sponsor tree planting programs in their districts or participate in ongoing tree planting programs that would provide Members with earned media opportunities.

He also suggests that perhaps they get involved in local schools and meet with students to talk about recycling, or that perhaps they give out conservation awards. He talks about the Teddy Roosevelt Conservation Award, because as you know, President Teddy Roosevelt was known very much as an environmentalist and was a Republican. It says in the memo, using his name, consider establishing a yearly Teddy Roosevelt Conservation Award for someone in your district whose achievements exemplify President Roosevelt's conservation commitment. You can even recognize several award winners by establishing a youth award, a senior award, or a local business conservation award.

He goes on to suggest that perhaps the Republican Members could go door-to-door and hand out tree saplings or get involved in park cleanups or become active in their local zoo.

I am not saying any of these things are bad. I think it is great. I think it is great to participate in Arbor Day and clean up the local park and certainly good to recognize students or seniors in the community that are involved in conservation efforts and give out the Teddy Roosevelt Award. I greatly admire President Roosevelt.

Again it points out that historically conservationism, environmentalism, has been bipartisan. But I would venture to suggest that the suggestions of the gentleman from Texas [Mr. DELAY], here are really primarily cosmetic in an effort to try to give the impression that Republican Members when they are in their districts are environmentalists or conservationists, but then they come back here and vote very much the other way. They vote for measures that break down environmental protection, that turn the clock back on the environmental protection that we have had for 25 years on a bipartisan basis.

All of us want more efficient Government. I would venture to say that every Member of this House of Representatives would like to see the deficit reduced and like to see a balanced budget, or almost every Member, certainly both Democrats and Republicans. Certainly I share that point of view. But I do not believe that in an effort to tighten the budget belt, if you will, or an effort to reduce the deficit and eliminate the deficit and balance the budget, that you have to sacrifice environmental protection. I would venture to say that environmental protection more than any other issue, and EPA and the agencies and programs involved in environmental protection, more than any other agencies have suffered severely by the Republican budget cuts or Republican budget suggestions. And if you look at the continuing resolution, the stopgap spending bill that we are now operating under, at least until March 15, you will notice that environmental protection, those agencies, those programs involved in environmental protection, are cut much more severely than almost any other agency or any other Federal program, again part of the effort to turn back the clock on environmental protection, if not through outright repeal of our laws, then certainly by cutting back on the amount of personnel or the money that is available to the agencies to do investigations, to do enforcement, to bring the polluters to justice, so-to-speak, and penalize them.

As you all know, if you have laws on the books that are very stringent in terms of protecting the environment, it does not do much good if you do not have personnel to go out and check on the polluters, bring them to justice, if you do not have the enforcement and investigation. There is almost no point in having the laws on the books at all.

□ 1715

What I wanted to do in some of the time that I have allotted to me, I wanted to at least initially give some idea in my home State of New Jersey of the impact of the Republican budget cuts. Then, if I could, I will go through some of the data that was provided by some of the speakers at our task force hearing on Monday that indicates exactly how these Republican budget cuts are impacting various environmental agencies.

As far as my home State of New Jersey is concerned, one of the major concerns is the Superfund program. The Superfund program is the national hazardous waste cleanup program. My home State of New Jersey has 107 active Superfund sites, which is more than any other State. Twelve sites have been slated for significant new construction, in other words, remedial and major removal actions will be shut down by the budget cuts that have been proposed.

I am not going to get into all the list of the sites. I would like to submit them for the RECORD. But the bottom line is that we have at least 12 sites that would see no remedial action, no restoration at all, even though they are on the national priority list.

There are 30 other sites in New Jersey with ongoing work that will experience shutdowns or slowdowns as a result of the budget cuts, with various impacts. So for these other 30, all the work will not stop completely but it will be significantly slowed down. For example, at the Montclair, Glen Ridge, West Orange radium site, the EPA will have to stop cleaning up radium contaminated soil in a residential neighborhood. In disposal sites, buried waste containers would continue to leach contaminants into groundwater. In addition, 34 sites where responsible parties are performing cleanups could be stopped if the region is not provided with funds to oversee those cleanups.

What I am talking about here is the fact that under the Superfund program, it is only if you cannot find a responsible party, in other words, a polluter that we know caused the pollution to take place, that the Superfund or the Federal dollars have to be used. In most cases, the sites are being cleaned up by the polluter, the responsible parties. And in 34 cases in New Jersey alone, where responsible parties are performing the cleanups, there will not be any kind of Federal oversight of the cleanups, which means that essentially they could be stopped. If the Federal Government cannot go in and see what they are doing, they may not, the polluters may not actually be able to perform the cleanup.

Separate from the Superfund program, there is an impact of these cuts on leaking underground storage tanks. This is another Federal program with Federal dollars involved. There is a reduction from fiscal year 1995 of about $500,000, a half a million dollars, in that program which means 278 cleanups will not be initiated and 303 cleanups will not be completed. So here again an important program, underground storage tanks, leakage from that, again toxic waste, hazardous waste sites that are not going to be cleaned up.

Very important to the State of New Jersey also is the safe drinking water program, not just to New Jersey, this is important nationally. The EPA estimates that more than 6 million residents of New Jersey are served by drinking water systems that violated public health standards last year. Budget cuts, again the Republican budget cuts, will reduce the funding available to these communities to improve their drinking water systems by about $5 million.

Now, an area that I am personally very committed to, and it is very important to my district, is clean water.

New Jersey historically has taken a major interest in efforts to improve our water quality. Historically many of its waterways were severely polluted. According to the EPA, about 85 percent of New Jersey's rivers and streams are too polluted for basic uses like swimming. The goal of the Clean Water Act is fishable, swimmable waters. If you cannot achieve those goals, then you are not doing your job here in Congress.

So we have to try to at least move forward in achieving those goals. But under the fiscal year 1996 conference report, again, the Republican proposal, New Jersey stands to lose $52.05 million in clean water funding that would help stop pollution from getting into the State's waters, lakes, and streams as well as in the Atlantic Ocean. This represents a 53 percent cut from the fiscal year 1995 enacted funding level.

Also, huge cuts in New York's waste water treatment loans and other clean water funding threatens New jersey beaches through washups of untreated sewage and wastewater. Again, I was elected to Congress for the first time in 1988, after a summer when most of our beaches in New Jersey were closed because of pollution problems, basically debris, medical waste, water quality problems that generated primarily from north Jersey as well as New York City.

If grants and loans are not available to both New Jersey and New York, particularly in the northern part of the State or the New York metropolitan area, then those same pollution problems will continue to exist or get worse. The consequence of that is that maybe not this summer certainly but in a few years if the funding is not available to upgrade wastewater treatment to prevent problems related to combined sewage overflow, where it rains and your storm water and debris from your streets get in to basically bypass the sewage treatment plant and end up into the Hudson and then eventually come down to the coast of New Jersey, if those problems now begin to be aggravated again because there is not enough Federal dollars going back to the States for wastewater treatment, then we could easily see in a few years down the road a repeat of some of the beach closings and similar type problems that we had in the late 1980's in the State of New Jersey.

These clean water efforts are not just water quality issues. They are obviously economic issues because so many jobs in the State of New Jersey are dependent upon clean water for tourism during the summer season. In New Jersey now, tourism is one of the most significant industries in the State. So it has a major economic impact, meaning dollars will be lost. The tax dollars will not be coming from the Federal Government if we do not continue our effort to constantly upgrade our sewage treatment systems and effectuate clean water.

The last thing I wanted to talk about is enforcement. In New Jersey, essentially with these Republican budget cuts, the environmental cop will be off the beat as inspections and enforcement efforts will be severely curtailed on the Republican budget proposal which represents a cut of 25 percent below the President's budget request. So with regard to enforcement alone, we are talking about a 25 percent cut.

Decreased inspections due to cuts create public health threats that would have to be addressed by a staff much smaller by the budget cuts. And in region 2—region 2 for the EPA includes New Jersey as well as New York—there are reports that as a result of the ongoing budget problems there is a growing backlog of permits which they have been unable to process.

In other words, again, we will not even get to the issue of proper enforcement or inspection because they would not even be able to review the whole question of permits, discharge permits for clean water or permits for any other kind of environmental activity.

I see that one of my colleagues from Minnesota is here, Mr. VENTO. I am glad that he is joining us here today. I would yield to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding and commend him for his order talking about the environment and the effects of the curtailment of funding that has persisted this fiscal year, the fiscal year that began October 1. And for 4 weeks of that period of time the programs that affect the environment, the EPA, the Department of Interior, and numerous other programs that through the Department of Commerce, such as NOAA and so forth were in shutdown. There is no funding for them. That was a contest because there was a difference in priorities, sometimes between the House and the Senate, sometimes within the Senate and the Senate and the House and the House, and sometimes even with the President that did not agree with the actions of this Republican-led Congress. So for 4 weeks, 20 percent of the time, we end up spending $1.4 billion in terms of employees' wages that could not work. But more importantly than that is that the cost of that goes well beyond, well beyond the dollars spent on the employees and the work not accomplished, because as we learned on Monday, yesterday, the fact was that the EPA director, the Secretary of the Interior, the Justice Department is unable to do its job. It is unable to collect the information and the data that they need to, for instance, enforce laws that deal with clean air, that deal with clean water, that deal with toxic substances that might be and do occur regularly in the environment.

The fact is that if you have a shortfall without funding in the collection of the database of information on what is happening, that is the first thing that will raise reasonable doubt in a court of law. I am not an attorney, but I do not think it takes an attorney to understand the fact that when you have holes in your body of knowledge and information, that it is impossible to bring an action, legally, a legal action to in fact enforce these very, very important laws.

Now, I think that it seems like it is almost a prerequisite of all the Members of Congress to attest that they are, as a condition of their employment, as a condition of their service in this body, that they are all avowed environmentalists. But there are environmentalists and there are environmentalists. There are those that I am not so interested in what the nomenclature is that they claim or the identity that they claim for themselves as I am in what the actions have been in this Congress and what the consequences are. So I think we ought to understand that when we defund various types of investigatory work, various types of legal work that affects the environment, that we are actually, we are actually in a way repealing the very effect of those laws that are so important to the protection of our health, to our safety, and to the environment.

This morning I had the opportunity to listen to some of the technical experts from the Department of the Interior, from the Fish and Wildlife Service. And last year what happened, in 1995, is the Congress, through a rescission bill, repealed or forbid, put a moratorium on the listing of threatened or endangered species.

I do not know if the gentleman from New Jersey had mentioned that because I was on my way to the floor, but today we have 243 endangered species of plants and animals that are unable to be listed. We have done all the work on them. We have cooperated with the States. We have gone through the scientific evidence. We have explored all the ramifications of it, that is to say, that the Fish and Wildlife Service has, who are legally charged with this, but they cannot list these particular species as to their protection.

The general policy, the law signed by Richard Nixon in the early 1970s, the Endangered Species Act, said that we were, as a community, as a Nation, as a policy were going to try and protect these threatened and endangered species. In addition to that, there are 180 some other, 182 other candidates species that would be listed. So here we have a collection of some 425 species that are probable for listing under the Endangered Species Act. And by action of this Congress, we have unilaterally, without a vote on this floor necessarily or any other action, just cut off the funding so no one can do any listing, put a moratorium on it, no funding, no listing, put a moratorium on it.

And the fact is the problems with this grew out of the same sort of attitude in the past administration. The then Bush administration had a lawsuit that was filed on the part of various groups that he was not in fact, they were not, under then Secretary of

Interior Manuel Lujan, actually proceeding properly with the listing of endangered species. They agreed, prior to the new administration taking power, incidentally, that they would accelerate the rate of listing of endangered species.

So when President Clinton and Secretary Babbitt took on the responsibility of the administration in 1993, they already had problems in the sense that there was a significant number of species that had not been listed, plants and animals, that actually, of course, caused some degree of acrimony, because it was the sort of fits and starts type of effort with people taking their own, that is to say, an administration taking its political view, its own personal view and superimposing it over what the normal law should be in terms of listing this.

I think the American people have spoken loud and clear with regards to their views and the polls, as we read them, concerning the environmental policies and laws that have been enacted over the past 25 years. I think it is patently ridiculous for this Congress to try to hide behind the spending bills, to fold into them all sorts of changes, dramatic changes. They have overreached in terms of the environment. A lot of people want to get up and proclaim, as I said, that they are environmentalists. But when they vote for spending measures and policy changes inherent in those spending measures, or shortfalls, I mean we keep saying that most of the damage has not been done to the environment. That is not correct. If you do not fund these, you stop the proper flow of lawsuits. In fact, you destroy the database which is necessary for the prosecution of lawsuits for a long time into the future.

□ 1730

So tremendous damage is being done by this lack of funding. Of course there are some direct policy implications, as I said, with the Endangered Species Act. I think on another occasion we might want to talk about the so-called timber salvage in the clear cutting of old growth forests in the Pacific Northwest and the types of policies that are flowing from that particular law and the lack of consideration of forest health. I mean, we may want to talk about that, but there is enormous damage that is being done and has been done by this Congress because the President cannot spend money that he is not provided. He cannot move forward on legislation when there is not funding. The Congress is absolutely responsible. Congress has a tremendous amount of power in terms of the purse strings, and my problem with this Congress is that it is conducting itself in an irresponsible way by not funding properly the laws that are in place. If you want to change the policy, let us have a vote on this floor and vote it up or down. But to undercut it by not funding these particular policies and hiding behind that particular artifice I think is wrong, I think it is irresponsible, and I think it is inconsistent with the sound policy making that should characterize this body. We ought to be looking at what the impact is on the economy, we ought to be looking at what the scientific evidence is, we ought to be looking at what is morally right or wrong with regards to these issues, and we ought to be looking at what the people we represent think, what their views are. All of that ought to be considered.

But that is not what is being considered in this instance. What is being considered and what is dominating this Congress on the environment is an overreach, an extremism and anti-environmentalism, an attitude of policy making by anecdote, by not considering properly the issues and how they will effect us, and we are having and this Congress itself is having an adverse effect, a very negative effect, on what the future or what our role is as stewards and what the legacy is that is going to be left for future generations by destroying our clean water.

The progress we have made I might say has been very grudging, it has been expensive, it has been inconvenient. We have caused great anxiety because we have taken on and tackled these problems in past decades, and it was not me. I have not been here as long as many that came before us, and it has been bipartisan, but that is not the case in this particular Congress. This Congress is ideologically hell bent to undercut the environmental progress and to serve the needs of special interests.

That is how it adds up, that is the bottom line. Look where the money goes, look who benefits from these particular changes. They are not measures to fight the deficit, they are creating an environmental deficit in this country that our grandchildren and children will be paying for a long, long time. I think these arguments of balancing the budget and claiming that they are doing that on less government—you want less Government, you want dirty air, do you want dirty water, do you want to destroy the pristine resources that we have in this Nation? I think the American public would answer that very loudly with a no, in the negative, and I think that, I hope, this Congress can wake up and stop some of the damage that they are causing by these shortfalls in terms of funding that have persisted and persist right now.

If we do not stop it, we are going to see a defunded and a much reduced ability of the EPA and the Justice Department and the others that we charge with the responsibility, a much reduced ability to carry out that particular responsibility, and I thank the gentleman from New Jersey for asking for this special order and for the work he is doing on the Task Force on the Environment.

Mr. PALLONE. I want to thank my colleague from Minnesota for the statement and the comments that he made. One of the things that the gentleman pointed to was the fact that in many cases the ideology, if you will, that the Republican leadership is articulating really is not true in terms of what the actual effect is. I mean one of the things that they keep stressing is how they have to cut the budget for environmental protection in order to save money, that somehow that is going to, you know, lead to serious deficit reduction. and in fact when we look at some of the cuts and some of the changes that they are proposing, it has just the opposite effect. I thought some of the strongest testimony at our hearing yesterday was by the assistant attorney general and also by Carol Browner, the EPA Administrator, where they were pointing out that because of the Government shutdowns, because of the cutbacks in funding for personnel, that they have not been able to basically prosecute polluters and collect penalties that come back as a result of successful prosecution, and they have not been able to find those who violate their permits, and so are actually losing a tremendous amount of money that comes back from the penalties and the loss of income that results from not getting the penalties and the fees from that during this process.

So I think again one of the purposes of our task force is to sort of be a truth squad and say, here, look, you are articulating this ideology that you are going to save money, but you are really not because actually we are getting fewer dollars in here, we are not prosecuting, we are not enforcing the law.

Mr. VENTO. If the gentleman would yield, we are losing the data base in order to successfully prosecute in these particular instances, so the $1.4 billion lost for 4 weeks, the underfunding; for instance, they cannot even send people in the field because they do not know if they will be able to come back.

We heard from a third grade student yesterday that had asthma that was effected by the smog and the other types of problems that are occurring in the air, and obviously I think that many could benefit from listening to that child, that kid, that was in fact very much affected by the fact that our clean air laws are not being permitted to function, and it is actually causing an adverse effect on his health and his ability to in fact participate in sports and do a variety of other things.

So it is not just the technical aspect, it is a very human aspect of this, and yet there is a sort of a head in the sand attitude with regards to this Republican leadership of extremism and serving the needs of special interests at the same time they are undercutting the very fundamental basic trust to the people we represent.

Mr. PALLONE. Thank you. I would like to yield to the gentlewoman from California.

Ms. PELOSI. I thank the gentleman from New Jersey for yielding and thank him also for his strong leadership on this issue. I am pleased to join

our colleague, the gentleman from Minnesota, [Mr. VENTO], and the gentleman from New Jersey, [Mr. PALLONE] in this special order.

It is very interesting. I recently just had an environment town meeting in San Francisco, and it was environment and health, and we addressed very directly the proposals that are being made in this House of Representatives that effect the environment and just the subject you were talking about and how it effects individual health.

The public is on to this. They are very, very interested in what is happening here in this House of Representatives, and they are very concerned about the riders that were placed on the VA-HUD bill, obviously making that complete veto bait for the President.

But it is not enough for us just to defeat those riders, however important that was, and it took a bipartisan effort for us to have a majority vote to defeat them. However, many of the same Members of this House who voted against the riders then went on to support the bill, which had huge cuts in the EPA budget, thereby tying the hands of the EPA to do its job. Now certainly if there is any alteration that we want to make in regulations, et cetera, governing EPA, everything is up for discussion, but not serious defunding, which says to the EPA, well, we would not have the riders but you would not have money either to enforce it. Right now we are planning another meeting about breast cancer and the environment and the relationship of not having clean air, clean water, whatever else.

I think it is a very explosive issue. As I say, the public is very concerned about it. It is an environmental issue that is distinct from saving certain endangered species that some think is not necessarily important in their lives, although we see the connection in nature among all of us.

But these issues of environment and health, the EPA budget restrictions on enforcement, are issues that are important to our children, and in a Congress that talks about values and in a Congress that talks about our children's future two things are for sure: If we want our children to lead healthy lives we must make sure they live in a healthy environment, and second is we are never going to reduce the deficit as long as we would allow our environment to be polluted, causing illnesses, causing cost, and of course reducing quality of life.

One of the reasons many of us are in politics is to extend the protection that we give our own children as parents beyond the home, but there is only so much we can do, and protecting the environment is one thing the American people look to government to do. It never happened under the honor system, and it requires the government role, government regulation, and it calls for a Federal Government role so that our entire country is safeguarded.

With that, I once again want to thank the gentleman for his leadership on this as well as for holding the hearings yesterday and his ongoing leadership on the issue of protecting the environment, and if the gentleman is not using all of his time, I would like to be yielded to again toward the end of his remarks.

Mr. PALLONE. Absolutely, and I want to thank the gentlewoman from California [Ms. PELOSI] for those remarks, and you know it is interesting, because when we had the hearing yesterday Carol Browner, who is the Administrator of the EPA, pointed out what difficult choices we are going to face over the next few months or the next year if the level of spending or the budget levels that we are operating under now, if this continuing resolution were to continue through the end of the fiscal year, and she specifically said we are talking about the public health.

Again, the gentleman from Minnesota [Mr. VENTO] talked about endangered species, and there are obviously a lot of natural resource issues that we are concerned about, but we are specifically talking about public health and how it is going to be impacted, and if I can just briefly mention, because it really did not get a full hearing yesterday, but Browner specifically pointed out that under the budget proposed by the Republican leaders the American people will be faced with terrible choices with regard to public health issues. She mentioned will the EPA set effective standards to control Cryptosporidium and disinfection by-products in our drinking water, or will we set standards that will remove 1 billion tons of toxics and other pollutants each year from rivers and lakes, standards to control water pollution from the pulp and paper industry? Will we strengthen our standards for protecting the public from smog and smoke particles of air pollution or will we issue new standards for industrial toxic air pollutants?

These are standards that they were about to embark on in this fiscal year. In other words, if they had this level of funding that was requested by the administration the EPA would be able to move ahead and regulate these industries in that fashion and meet those standards for public health reasons, and she pointed out, for example, that with the drinking water standards for the Cryptosporidium and disinfection by-products you have associated health risk like severe gastrointestinal illnesses and increased incidences of cancer with the industrial water pollution standards for metal products, industrial laundries, landfills and incinerators, pollution reduction goals where so many millions of pounds per year would not be taken out of the environment if we do not have the level of funding that was requested.

She talked about with air pollution the need to strengthen small particle standards. She talked about burning diesel fuel, burning garbage, standards that were going to be in place for those this year, and you have associated health risks of eyes, nose and throat irritation, respiratory illnesses, increases in mortality.

Obviously, I could go on and on with this and I would not, but my point is, and I think you made the point very well, is that we are talking about health risks, and that is what this is all about. You know the last 25 years, when on a bipartisan basis the Congress and President sought to improve and strengthen our environmental protection laws and to increase enforcement, were based primarily on the need to protect public health and is certainly one of the reasons why life expectancy is longer, and now there was an article that was in today's paper that said even though people are living longer they are also leading healthier lives, even when they are senior citizens, that they, you know, lead much healthier lives and are able to function in much better ways.

I am very concerned about the fact that what the Republican leadership is proposing here in turning back the clock on environmental protection is really going to have ultimately, if we let it happen, a terrible impact on the Nation's health, but hopefully you and I and the rest of us will make the point over the next few months so that we can prevent this turning back of the clock and maybe even get to some progressive environmental legislation that will improve the public health.

I would like to yield to the gentlewoman from California [Ms. PELOSI] now for the additional time that she may consume. I know she has something about former Governor Brown that she would like to say.

Ms. PELOSI. Mr. Speaker, I thank the gentleman, and once again want to commend him for his leadership on this.

We have talked about the environment for many years in the Congress. The expression ''environment and health'' now go hand in hand, as they have for a long time, but, as I say, in the public's mind, and I think that if the public is mobilized and understands what is at risk here, then maybe the environment will once again become an issue which has bipartisan support, protecting the environment has bipartisan support, and is no longer an issue of controversy on the floor of the House, and if that is so, it will be in due measure, large measure, to your hard work on this, Mr. PALLONE, and I once again commend you.

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TRIBUTE TO EDMUND G. ''PAT'' BROWN

Ms. PELOSI. Mr. Speaker, I am very grateful to the gentleman from New Jersey [Mr. PALLONE] for yielding time to me this evening, as I was not on the floor when my 5 minutes came up.

Mr. Speaker, I rise today to talk about the former Governor of California, ''Pat'' Brown. The life of Governor

''Pat'' Brown spanned nearly the entire 20th century, and made an indelible mark on the history of California.

Born in San Francisco before the great quake, Edmund G. ''Pat'' Brown was one of our city's finest citizens, and a leading advocate for progress for California. His death last week at the age of 90 was eulogized at a San Francisco funeral Mass at St. Cecilia with the archbishop present, attended by Government officials, civic leaders and citizens who never ceased to admire his awesome tenacity. As a public figure in San Francisco, Governor Brown's legendary optimism and energy characterized the spirit of his hometown, San Francisco.

Mourners, thousands of mourners, joined four generations of the Brown family, the Governor's wife of 65 years, Bernice Brown, their four children, 10 grandchildren, and many of their 13 great grandchildren in remembering the personal qualities that distinguished Pat Brown throughout his political career and in his later years as a private man. All of these people had many stories to tell. In the interest of time, I will not go into those stories right now, but they will be stories that will be heard over and over about this legendary man and his great heart.

Governor Brown's generosity and warmth emanated from his devotion to family. He thrived on the closeness of his growing family, champion their ambitions, proudly cheered their successes. From the 1970's to the 1990's, he campaigned for the two children who followed in his political footsteps to hold statewide office: his son, as you know, Jerry Brown, who served as Secretary of State and as California Governor, and daughter Kathleen Brown, who served as California Treasurer, and who won the Democratic nomination for the Governor in 1994.

At the funeral services, though, even though ''Pat'' Brown was a very public man, Governor Brown's grandchildren ruled the day. They affectionately recalled that he loved to do whatever the children wanted to do. ''He loved us, he loved politics, he loved California, and he loved the law,'' granddaughter Kathleen Kelly said. She told the crowd that her grandfather cried with joy with learning that she had passed her bar exam to join the profession he so respected.

Though 30 years have passed since he led our State in the Governor's office, Californians are still reaping the benefits of his bold achievements. His accomplishments were many during his years as San Francisco's district attorney, California's attorney general, and the State's Governor for 8 years of tremendous growth. Californians are particularly grateful for the lasting foundation he built to ensure the excellence of California's public system of higher education. Former Governor Jerry Brown described his father's contribution to education as a powerful legacy. His death has generated an outpouring of condolences and expressions of gratitude from people who credit Governor '''Pat'' Brown for the chance to earn a diploma.

Governor ''Pat'' Brown set a standard for educational opportunity that we, his benefactors, must strive to maintain. The State's universities and colleges were a model for the Nation and a cornerstone of the economic prosperity that California enjoyed for decades. Governor Brown created this enduring legacy of access to higher learning by enjoining all Californians to share his enthusiasm for investing in the future. The people of our State made that commitment under the Governor's leadership. Now we can pay tribute to his public service by renewing a commitment to today's generation of aspiring students.

No tribute to Governor ''Pat'' Brown could overlook his dedication to the Democratic Party and its principles, that is democratic with a capital D. An outspoken partisan, he build party loyalty, articulated Democratic values, and fully participated in the political battles to determine Democratic leadership. He was a politician in the most admirable sense of the term, believing that the true leaders must activate the citizenry in order to achieve their goals.

Democrats will miss Governor Brown's presence at State and national party gatherings and his abundance of options on the pressing issues of the day, but the education and economic infrastructure for he built for all Californians will live long beyond his time among us, and the intangible monuments to his greatness will always be present in his wisdom and vision, inspired by his genuine love of family.

As his daughter Kathleen described her father, he was a man who, for all his accomplishments, was a man of a singular inexhaustible spirit of love. We all will love and long remember and respect and admire with great affection the legacy and the person that was California Governor ''Pat'' Brown.

THE NATIONAL CAMPAIGN TO REDUCE TEEN PREGNANCY

Ms. PELOSI. Mr. Speaker, since I have a few minutes remaining on my time, I believe I have a few minutes remaining on my time, I wanted to associate myself with the time being taken by our colleague, the gentlewoman from North Carolina, [Mrs. CLAYTON], to talk about the promise and potential of our young girls growing up in our Nation today. These young women should have enormous promise and opportunity to succeed and make great and positive change in our world. That opportunity should not be denied or deterred because of the alarming problem of teen pregnancy. There are many ways to combat the rising rate of teen pregnancy. One is to educate State and community decisionmakers about adolescent pregnancy and its causes. Another is to educate youth about their options and possibilities. It is possible that many teens would think twice about engaging in unsafe sexual activity if they were able to gain clear awareness of the personal cost and responsibilities associated with becoming pregnant and raising a child.

In that spirit, I applaud the efforts of the National Campaign to Reduce Teen Pregnancy. We should all join with the campaign in its goal to take a clear stand against teen pregnancy and to reduce the teen pregnancy rate by one-third by the year 2005. I was proud to be one of a large group of Members who signed the letter of the gentlewoman from North Carolina [Mrs. CLAYTON] to President Clinton in support of this campaign.

In the interest of time, Mr. Speaker, I will submit the rest of my statement for the RECORD, because I took this time because it was the time that was available, but the gentlewoman from North Carolina [Mrs. CLAYTON], is our leader on this issue. If there is any time remaining, I would like to yield some of it to the gentlewoman from North Carolina, in addition to the time that she will have on this subject, commend her for her leadership, and thank her for calling us to the floor on this subject today.

Mr. Speaker, I rise today to talk about promise and potential. Young girls growing up in our Nation today should have enormous promise and opportunity to succeed and make great and positive change in our world. That opportunity should not be denied or deterred because of the alarming problem of teen pregnancy.

There are many ways to combat the rising rates of teen pregnancy. One is to educate State and community decisionmakers about adolescent pregnancy and its causes.

Another is to educate youth about their options and possibilities. It is possible that many teens would think twice about engaging in unsafe sexual activity if they were able to gain clear awareness of the personal costs and responsibilities associated with becoming pregnant and raising a child.

I applaud the efforts of the national campaign to reduce teen pregnancy. We all should join with the campaign in its goal to take a clear stand against teen pregnancy and to reduce the teen pregnancy rate by one-third by the year 2005. I was proud to be one of the large group of Members who signed Representative CLAYTON'S letter to President Clinton in support of this campaign.

I believe that for this campaign to be successful we need to do much more than take a firm stand against teen pregnancy. to succeed in reducing teen pregnancy, we must succeed in fostering the self-esteem of young girls and boys. We are responsible to let each of them know that there are people who love and support them. that love and support does not have to come from a child of their own. That love is something they can give to themselves—a feeling of self-worth that will allow teens to say no in the face of difficult decisions or pressures to be sexually active. That sense of self-worth comes from family, from school and from the community.

Funding for the title X Family Planning Program is also a key component in our fight

against rising rates of teen pregnancy. Preventing unintended pregnancies among sexually active teens through counseling and education is the highest priority of Federal family planning programs.

Community based teen pregnancy prevention programs place a strong emphasis on avoidance of unprotected sex, or avoidance of sex completely during the teen years. The community level is where we all need to get involved to assist young people through the difficult prospect of growing up in this uncertain world we have made for them.

We can offer teens activities like summer youth employment, like school-to-work programs, like after school programs and activities. We can encourage them to become involved in their communities—to volunteer their services to help the lives of others, rather than creating a life in a difficult environment.

And we can definitely help by refusing to make out-of-wedlock childbirth and pregnancy the scapegoat in the welfare reform debate. Denial of AFDC benefits to unwed adolescent mothers is cruel. This is not the way to deter teen pregnancy. This is the way to increase the number of poor women and children in this Nation.

We can achieve a significant reduction in teen pregnancy the same way we can achieve real welfare reform—by offering positive, long-term solutions.

Ms. PELOSI. Mr. Speaker, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I just want to thank the gentlewoman for joining me. I will have the opportunity to address the House for 5 minutes, but I think your approach is correct, that to indeed approach the community and raise their awareness as to their opportunity to encouraging young people to be positive, and at the same time, we provide the young people with the option of development skills and life skills that they would elect to go forward with their lives and develop, and would not, perhaps, engage in destructive behavior.

I would say part of this is economic, and the other is social. All of us have the responsibility. Finally, to the extent I do have a moment, I would say this is not something that Congress itself can do, this is something that all society has to be part of. I would encourage my colleagues on both sides of the aisle that this is an opportunity where we work can work together. It does not make any difference of party affiliation or politics or philosophy. I think all of us would rather see young people develop their skills and be mature when they became parents. It would give an opportunity for our society to be better. Thank you for allowing me to participate as well.

Ms. PELOSI. It is under your leadership that we are here today.

In closing, Mr. Speaker, I would like to say that in addition to what the gentlewoman is saying, we must do all we can in succeeding to foster the self-esteem of our young women and actually our young men today. We are responsible to let each of them know there are people who love and support them, that love and support does not have to come from a child of their own, and that love is something they can give to themselves, a feeling of self-worth that will allow teens to say no in the face of great decisions or pressures. That sense of self-worth comes from the family, from school, and from the community.

Once again, Mr. Speaker, unless the gentlewoman from North Carolina would like this time, I would like to yield back the balance of my time. I have spoken on three issues: Supporting the gentleman from New Jersey [Mr. PALLONE] on the subject of the environment and the gentleman from Minnesota [Mr. VENTO] on the importance of the environment to the health of the American people; and on the subject of teen pregnancy.

In my close, I would like to say, once again, thank you to Edmond G. Brown, Junior, for the—Edmond G. Brown, ''Pat,'' Senior, for his contribution. I know I speak for every member of the California delegation when I say to the Brown family that we are grateful for their unselfishness with ''Pat'' Brown in making him part of our State's history, and his great legacy is one that will live for a long time to come, and extend on behalf of our delegation condolences and deepest sympathy to Mrs. ''Pat'' Brown.

PARLIAMENTARY INQUIRY

Mr. WELDON of Pennsylvania. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The gentleman will state it.

Mr. WELDON of Pennsylvania. Mr. Speaker, is it not correct under special orders, the individual managing the time is supposed to be here in the Chamber when the special order is underway?

The SPEAKER pro tempore. The gentleman is correct, ordinarily, but during the first hour the minority leader and the majority leader may reallocate the time as they see fit.

Mr. WELDON. I thank the Speaker. I just asked that question in case it arises again. We did not object, and I would not object, but I just wanted that clarified for the RECORD.

DEMOCRATS CONTINUE TO IGNORE IMPENDING MEDICARE BANKRUPTCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

Mr. RIGGS. Mr. Speaker, Medicare is in critical condition. For nearly a year now, the President and the liberal House Democrats have refused to address Medicare's impending bankruptcy. In fact, they have ignored the warnings of the Medicare trustees and instead demagogued this issue, waging a campaign of fear and misinformation.

When the Republican-led Congress sent a bill that passed the House and the Senate to the President which would have saved Medicare from bankruptcy and preserved it for future generations, the President vetoed the bill. Yet, 3 weeks ago yesterday, new evidence revealed that Medicare is indeed going bankrupt faster than the Clinton administration admitted. Three weeks ago yesterday, there was an article in the New York Times, not exactly a conservative publication, that said the Medicare insurance trust fund lost money in 1995.

This little article reads: ''Medicare's Hospital Insurance Trust Fund lost money for the first time since 1972, 2 years earlier than officials in the Clinton administration had predicted.'' That is what the New York Times reported, again, 3 weeks ago yesterday. ''We had projected that 1997 would be the first fiscal year with a deficit,'' said Richard S. Foster, chief actuary of the Federal Health Care Financing Administration, which runs Medicare. ''Once the trust fund starts losing money, the losses are expected to grow,'' the New York Times reported.

Then the next day the Washington Post reported the following: ''The White House confirmed a report yesterday that suggested the Medicare hospital trust fund may be hemorrhaging even faster than previously expected—ending fiscal 1995 with a balance that was $4.7 billion lower than predicted.''

In April 1995 the Medicare Board of Trustees, including three Clinton Cabinet officials and the commissioner, or the Director, of the Social Security Administration, warned Congress and the President that Medicare would be bankrupt by the year 2002 unless it took steps to preserve Medicare from bankruptcy and to reverse the soaring spending rate, the exponential spending rate path Medicare was on to bankruptcy.

The Clinton administration, of course, tried to sweep these findings under the rug. When the President spoke to the White House Conference on Aging just a month later, in May of 1995, he never mentioned the Medicare trustees' report. Instead, the President and the liberal House Democrats spent most of last year, and again, the early part of this year, blasting Republican plans to save Medicare. But as I mentioned earlier, according to the New York times, the Clinton administration had data as far back as last October that indicated that the situation was far worse than predicted.

While the administration had estimated a projected surplus in the Medicare trust fund of $4.7 billion for 1995, in fact the balance in the trust fund fell by $35.7 million; as I mentioned, the first time since 1972 that the trust fund has lost money. So clearly we now know Medicare is headed for bankruptcy even earlier than 2002, and the President and the liberal House Democrats have no plan to save it.

In fact, they have done virtually nothing to address the problem. For 10 months the President an the liberal

House Democrats have ignored the warnings of the Medicare trustees regarding the system's impending bankruptcy, and instead they have played politics with Medicare, exploiting and twisting the issue to deceive and scare senior citizens, which is particularly, I think, despicable, given the fact that so many of our senior citizens are frail and elderly and vulnerable, and the President has submitted a string of budget plans that all fail to, again, deal with Medicare's financial crisis.

Unlike the President and the liberal House Democrats, Republicans listened to the Medicare trustees' warnings, and we passed a plan that would have saved Medicare for another generation.

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Our plan increases Medicare spending per beneficiary, per Medicare recipient, each year from $4,800 last year to more than $7,100 by the year 2002. That is a total Medicare spending increase of 62 percent. So we increased Medicare spending, increased Medicare health care choices by introducing the concept of managed care, physician service organizations and of medical savings accounts, while saving the program from bankruptcy.

Unfortunately, as I mentioned, this is the legislation that the President vetoed last November.

In addition to saving Medicare from bankruptcy, we Republicans are taking steps to aid senior citizens despite the President and the liberal House Democrats. As part of our Contract With America, we repeal the tax increase by the Clinton Democrats on social security benefits, a tax increase that takes affect on social security beneficiaries earning as little as $3,400 per year. We offer tax relief for long-term health care insurance premiums and a $1,000-tax deduction for elder care as part of the GOP Balanced Budget Act. Again, these are proposals the President vetoed.

We have passed legislation to increase the social security earnings test so that older Americans can continue to work without punitive taxation, and we passed a law that the President did sign protecting the rights of seniors to live in senior-only housing.

Clearly, colleagues and Mr. Speaker, saving Medicare is not one of the President's priorities; getting reelected is. Rather than preventing or joining with us to prevent Medicare's bankruptcy, the President and the liberal House Democrats prefer to play politics. They seized on this issue to try to win back control of the House of Representatives. They are only interested in using this issue, exploiting it for naked political gain. This is a transparent grab at political power, regaining political power.

As much as the President would like it, Medicare's problems will not wait a minute until after the November election to be solved. We Republicans have a plan that will save the system for future generations of senior citizens, and the only person standing in the way of their health care security, the only persons standing in the way of health care security for elder Americans, is, in fact, President Clinton and the liberal House Democrats.

TEENAGE PREGNANCY

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, teenage pregnancy is a condition that can be controlled and prevented in many instances.

Yet, 30 percent of all out-of-wedlock births are to teenagers, below the age of 20.

That astonishing reality should be alarming to all in Congress.

No other industrialized nation, with a population comparable to the United States, has a problem of this magnitude.

On the issue of teenage pregnancy, we have the dubious distinction of leading the world.

Why, you may ask, is this problem out of control?

Simply put, it is out of control because we have not taken steps to control it.

That is changing.

In January, President Clinton announced a bipartisan ''National Campaign To Reduce Teenage Pregnancy.''

The mission of the campaign is, ''To reduce teenage pregnancy by supporting values and stimulating actions that are consistent with a pregnancy-free adolescence.''

The goal of the campaign is, ''To reduce the teenage pregnancy rate by one-third by the year 2005.''

Neither party, nor politics, nor philosophy should stand against this vital mission and this critical goal.

This is an issue that we should be able to work together regardless of our party affiliation. The mission is difficult, but it can be done. The goal is demanding, but it is within our reach.

As we consider how and where to reduce spending, we must not forget that teenage pregnancies cause a heavy burden on the Federal budget.

Medicaid funds, food stamps, and AFDC funds are especially hard-hit by the teenage pregnancy problem.

If we want to balance the budget, let us begin by working to bring some balance to the lives of thousands and thousands of our teenagers, involved in premature childbearing.

Teenage pregnancies cause a heavy burden on society and it robs teenagers of their youth and robs their children of the benefit of mature parents.

A recent report to Congress on out-of-wedlock childbearing indicates that 35 percent of all out-of-wedlock births are to women over age 25; 35 percent are to women 20 to 24 years of age and 30 percent are to teenagers.

Thirty percent of all out-of-wedlock births are to teenagers.

One objective of welfare reform, shared by both political parties, is to reduce teenage childbearing.

Pending legislation on welfare reform, however, embraces an unreasoned approach to reduce the number of out-of-wedlock births, by denying cash benefits to unwed teenage mothers.

This unreasoned approach is based on the perception that the current system has failed and contends that any proposed change, such as denying children food and medical care, must be a good change. Thus, those who propose eliminating welfare benefits to young unwed mothers argue that their approach can't make matters any worse than they already are.

Change for the sake of change is empty.

We need change, but we need change for the better. Such proposals appear premised on the belief that if Government ignores teen parents, they will go away or get married.

There is little or no research to support such contentions.

Reason, on the other hand, suggests that even if the belief held true for some, there would be many young children and mothers left destitute.

Reducing teenage childbearing is likely to require more than eliminating or manipulating welfare programs.

The underlying causes are economic and social poverty, lack of education, family and community support, adult guidance, and violence are all linked together.

These are not problems isolated to the very poor, but rather problems that cut a wide path across the entire spectrum—very wide and very deep.

There is considerable evidence that life skills training in combination with other social prevention programs have been very effective with young people who use alcohol, drugs, and tobacco and engage in other destructive behavior.

As a society we must consider an array of programs that foster positive and responsible development of our youth.

URGING SUPPORT FOR THE COMMUNITY RENEWAL PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, this morning I attended a press conference held by JIM TALENT and J.C. WATTS to announce a community renewal project that will empower low-income communities. This bill was formulated and designed by the communities that it will effect. Congress went to the community leaders and asked them what will help them in their renewal projects. This initiative is what came out of those conversations.

I want to first of all commend JIM TALENT and J.C. WATTS for meeting with these community leaders and for

listening to them as they formulated the legislation that will help these communities to become strong.

A major component of this empowerment initiative is title II, which allows these communities to implement school choice. Not surprisingly, most of these community leaders made school choice a top priority in their list of essential components for the renewal of their communities.

According to the Center for Neighborhood Enterprise, 70 percent of low-income parents, who were aware of school choice opportunities, were supportive of school scholarships for their children. Their No. 1 comment was that in order to improve their communities, they must be able to have quality educational choices for their children.

I'd like to direct Members' attention today's Washington Times, page A3. The Associated Press is calling today the super Tuesday of school choice. There are a number school choice events happening today. Today in the other body, they voted on cloture of debate on the D.C. appropriations bill which includes choice scholarships for the low-income students of the District of Columbia. Unfortunately that vote failed by six votes.

In Milwaukee, Parents for School Choice is defending the Milwaukee plan before the Wisconsin Supreme Court and in St. Paul, MN, Governor Carlson's choice initiative will be debated.

In some parts of this great country, the state of education continues to decay. Despite solutions of more money, more bureaucracy, more regulation, and greater Federal intrusion into our schools, we would all agree things have gotten worse, not better.

Our children need the opportunity to pursue a good education. If this educational opportunity is outside their school district, they should have chance to take advantage of it and find their American dream through quality education.

A good education is a key ingredient in ending the cycle of poverty that entraps so many of our Nation's children. This empowerment initiative will liberate the parents of low-income children to choose a school that meets the educational needs of their children.

Mr. Speaker, the 104th Congress has been accused of not looking out for the poor and less advantaged, and simply being a voice for the rich. Well, Mr. Speaker, this bill will dispel that myth. In fact, it challenges these critics to match their rhetoric with their support for this proposal. This bill is targeted to the low-income families and communities—to the people who most need the opportunities of choice in education.

In an article in the Washington Times, Carol Innerst reported that public school teachers in troubled urban districts are much more likely to send their children to private schools than other Americans. A surprising 12.1 percent of all public school teachers and administrators send their children to private schools. In those public school systems considered the worst, an average 32 percent of the public school teachers and administrators send their children to a school outside of the district they work in, frequently to a private school.

I want to encourage my colleagues to seriously consider supporting the Community Renewal Project when it is introduced on the House floor. It is a wonderful project that spans both ideological and political platforms. it is a bill that well help Americans pursue the American dream.

ILLEGAL CUBAN SHOOTDOWN WARRANTS PUNISHMENT OF CASTRO, BUT NOT DESPITE LONG-TERM UNITED STATES INTERESTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, the Castro regime has acted in callous violation of international law in shooting down two defenseless and clearly marked civilian aircraft. Whether or not the Brothers to the Rescue planes strayed into Cuban airspace hardly matters. No law permits a military fighter plane to shoot down an unarmed civilian aircraft. Civilized people everywhere are rightly outraged by these murders and by the disregard that the Castro regime has shown for human life and human rights.

The families of the pilots and crew who were killed have our sympathy in their tragic loss. These men were dedicated to a noble goal—freedom for the people of Cuba.

We are told that the Cuban MiG pilots made no effort to contact the Brothers to the Rescue pilots, to make the usual warning signals to them, or to escort their small airplanes from the area before firing on them. All this demonstrates a willful failure to follow the internationally agreed-upon rules for dealing with such a nonthreatening approach to national airspace.

Fidel Castro's desperate response reflects the nature of his regime. He's again shown us his contempt for international law and his need to isolate the Cuban people from the world community.

The steps the President has taken constitute, for the most part, a reasonable and measured response. The President has properly sought and won international condemnation for an act that flouts international law and norms. The President also has proposed legislation to enable him to use frozen Cuban assets to provide compensation to the victims' families. I expect to support that proposal. I also think it is reasonable to add some restrictions on travel at this time.

The President's call for expanding Radio Marti, however, makes sense if and only if Radio Marti is first cleaned-up. The problems that have plagued the operation of Radio Marti are legion and do not reflect well on the management of USIA's surrogate broadcasting programs. Now, more than ever, it is essential that Radio Marti be brought up to U.S. Information Agency standards for quality and accuracy of news broadcasts. Otherwise, expanding its operations will not serve U.S. interests.

I also do not agree with the President that it is in our national interest to cozy up to the Helms-Burton legislation, even in response to such an offensive provocation by the Cuban Government. If we tighten the embargo we will only be playing into Castro's hands by helping him to keep his people in a state of isolation and deprivation. As in the case of our other former and hold-over adversaries from the cold-war era, the best policy for the United States to follow, for its own self-interested reason and for purposes of reforming the political and economic system in Cuba, is a policy of tough-minded engagement.

The murderous attacks on the Brothers to the Rescue airplanes was an illegal and outrageous act. It is one for which Castro has to be punished. At the same time, we should not become captive to a limited ideology. Instead we should seek constructive ways to stand with the Cuban people in their struggle for freedom, and to serve the enlightened self-interest America has in a peaceful transition to political and economic freedom in Cuba.

MISSILE DEFENSE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 60 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise this evening to speak, perhaps not for an hour but certainly for some time, on the issue of missile defense and partially in response to the administration's announcement of a little over a week ago in regard to their missile defense program for this fiscal year and the request to Congress which we anticipate receiving in the next several weeks.

TRIBUTE TO MC LEAN STEVENSON

Mr. Speaker, before I get into that, let me make a few comments about the unfortunate passing during the February work period of McLean Stevenson. Most of our colleagues in this Congress and most of the people around the country know McLean Stevenson as a Hollywood star who made his fame primarily through the program ''M.A.S.H.''

However, I want to speak briefly about McLean Stevenson and his commitment to fire and life safety issues. McLean Stevenson, at a young age, was rescued from a house fire by a group of firefighters in his hometown, and because of that incident had a lifelong interest in promoting the welfare of firefighters in general and promoting the

issue of fire and life safety. It was not until he retired from the M.A.S.H. series that he devoted his full time to working on these issues.

In that context, many of us who are involved in the fire and emergency services caucus here on the Hill came to know McLean Stevenson. For the past 3 years he has been a regular attendee at our national fire and emergency services dinner. We have held seven of them here in the Nation's capital, and in the last three of those dinners McLean Stevenson was not just an attendee but one of our speakers, and for the most part one of our most popular and funny speakers. He intertwined with his humor the basic lessons of life safety and concern, the importance of installing smoke detectors in individual residences and multifamily dwellings and talked about his effort nationwide to promote these issues to people both young and old.

McLean Stevenson was to have been, again, a guest at our dinner at the end of April this year, as he was last year when we had President Clinton as our keynote speaker, and honored the Oklahoma City Fire Department for their heroic efforts in response to the Oklahoma City disaster.

□ 1815

Unfortunately, McLean Stevenson died on the operating table. He was a friend, he was someone who was beloved by the entire fire service of this country, and whose true mark in terms of his life will be remembered in terms of the lives that he helped save by his efforts in promoting fire and life safety issues.

So it is with a deep sense of sadness that I rise to wish his family well and to say that certainly McLean Stevenson has left his mark on all of us. At our dinner in April we will pay appropriate tribute to our friend McLean Stevenson.

Mr. Speaker, I rise tonight, in addition, to respond to the administration's press conference of a little over a week ago, which in itself was a travesty. Many of us had been in contact with the administration in terms of the fiscal year 1997 budget request for missile defense and where the priorities would be in terms of programs.

I in fact wrote to both Secretary Perry and Deputy Secretary Kaminski, as well as to General O'Neill expressing my interest in meeting with them before any final decisions were made from a program standpoint relative to missile defense funding for this next fiscal year. In fact, that issue was repeated both verbally and in written form.

What really bothered me, Mr. Speaker, was that the administration saw fit, Secretary Perry and Dr. Kaminski, to hold a press conference at 3 o'clock on a Friday afternoon right before a 3-day holiday break, giving no advance word to Members of Congress except for an attempted phone call to myself the day before and other senior members of the defense committee and a call that I received on the day of the conference by General O'Neill. So there was no attempt in a bipartisan way to reach out to this Congress to work together on the issue of missile defense.

That is especially troubling, Mr. Speaker, because the single biggest change to the Clinton defense budget made by this body and the other body last year was in the area of missile defense. We plussed up the missile defense accounts by approximately $800 million because of the threat, both the near-term threat and long-term threat. We plussed up the national missile defense accounts, the theater missile defense accounts, as well as ballistic missile defense and Brilliant Eyes, space-based sensing program.

Those changes were made with strong bipartisan support in this House. In fact, when the bill left committee, it had the strongest vote in the 10 years I have been here, 478 to 3. When the bill was brought up on the House floor, for the first time in my 10 years we had 300 Members of the body vote in favor of the defense authorization bill, and that is with the significant changes from the Clinton administration relative to missile defense. So we thought it would be important to establish this new year in a bipartisan tone, working with the administration to try to find common areas.

Unfortunately, that did not occur. The press announcement that was held basically announced this administration's continuing policy to decimate defense spending as it relates to missile proliferation and the threat of missile attack, either accidently or deliberately. The mismatch relates between rhetoric and reality, and it is large and growing.

In fact, and I hate to make the statement on the House floor, but after looking at this issue as I have as a member of the National Security Committee and the chair of the Military Research and Development Subcommittee, I am firmly convinced this administration has no commitment to defend America whatsoever and under President Clinton never has. Even the sacred programs now that the Clinton administration said it supported, namely the theater missile defense programs, have been plundered to pay for other modernization needs.

The outrage here, Mr. Speaker, is that we have boxed our Joint Chiefs into a corner. As we have decimated defense spending, we have driven the leaders of each of our services to look to cut other areas beyond those programs that are important, parochially important to their own services. That has in fact caused the Joint Chiefs to come in and make recommendations, to have draconian cuts in the vital programs important to our national security from the standpoint of missile proliferation.

In addition, the press conference and the announcements of the program by Secretary Perry in fact are in major violation with the law that this Congress passed, most specifically section 234, which provides for specific dates relative to theater missile defense systems. In fact, we right now on the committee are considering whether or not to take legal action in suing the administration over these disconnects with the law.

Mr. Speaker, the concern that I have is that this administration has just not been serious in dealing with the American people and this body on the growing threat that is posted to this Nation and other free nations from the threat of missile proliferation. That is in spite of requests by the leaders of this administration.

Mr. Speaker, also during the February break there was an article in the Washington Times, which I will include as a part of my statement. The article that was in the Times, Mr. Speaker, cites a letter that was sent, a communications by General Luck. General Luck, Gary Luck, is our commanding officer in Korea. He sent a letter to the Chairman of the Joint Chiefs of Staff, General Shalikashvili, pleading for an enhanced funding profile for the THAAD missile defense system.

Why did he make this plea? Because there are serious concerns on his part as our commanding officer in South Korea relative to the threat posed by North Korea as they develop their state of the art missile systems, the No Dong and the Taepo Dong–II systems. These systems are sophisticated and pose a real and genuine threat, not just to South Korea and our troops in South Korea, but in fact as Secretary Deutch, the head of the CIA, mentioned in Senate testimony last week, even to the State of Alaska by the year 2000 and beyond.

General Luck made the case to General Shalikashvili that we needed to be able to deploy at least two batteries of THAAD systems at the soonest possible time. General Shalikashvili wrote back to General Luck, and this article which I have asked to put in the RECORD has the exact quotations from General Shalikashvili, that he is not able to fully fund the THAAD Program at what they thought was going to be the deployment program established last year by the Congress, and also a priority of this administration, because of the budgetary pressures and the need to fund other priorities in the military.

So here we have the Chairman of the Joint Chiefs of Staff, Mr. Speaker, acknowledging in a letter to General Luck in South Korea that we cannot give hem the resources he needs, not because they are not warranted, and General Shalikashvili even mentions he fully supports the THAAD development, but because we have boxed the leadership of the military into a corner where they cannot fund the most basic priorities, and therefore have to cut wherever possible.

Mr. Speaker, this is outrageous. In fact, this communications and this request by General Luck and the negative response by General Shalikashvili reminds me of a situation that occurred several years ago. That situation was when our commanding general in Somalia sent a communique back to the Pentagon, which ultimately went to then Secretary of Defense Les Aspin. That communique, Mr. Speaker, said that the commanding officer in Somalia said that he needed additional backup support to protect the welfare of our troops.

That request for additional support was denied. It was only after 18 of our young troops were killed in a massacre in Mogadishu that Secretary Aspin came up on the Hill along with Secretary of State Warren Christopher and addressed a bipartisan group of over 300 Members of the House and Senate assembled in one of the Capital meeting rooms, and under questioning Secretary Aspin said that he denied the additional support for the troops requested by the command officer in Somalia because of the political climate in Washington. This is the first time, Mr. Speaker, since Vietnam, that we have had an administration say that it has denied the support to protect American troops for a political reason.

That is exactly what we are seeking here in Korea. Out commanding officer in South Korea is concerned about the safety of our troops. He has communicated that to the Chairman of the Joint Chiefs of staff, and the response by the administration is we agree with you, we would like to help you, but there is just not enough money, so we will have to risk the lives of those troops in terms of protection from a missile attack by the North Koreans. Mr. Speaker, that is outrageous.

Mr. Speaker, during the debate of the defense authorization bill last year, we went to great lengths to work with the administration on missile defense. Mr. Speaker, as the chairman of the Subcommittee on Research and Development, I made sure that at every possible opportunity we were not forcing something down the administration's throat that they could not live with.

Some in my party, Mr. Speaker, as you know, wanted to have language in the defense bill that would have immediately caused a problem with the ABM treaty. They wanted multiple site language for deployment of a national missile defense system in the bill. I argued against that, Mr. Speaker.

The ultimate compromise bill that we presented to the President did not contain any language that would have violated the ABM treaty. In fact, everything we did in our bill, Mr. Speaker, General Malcolm O'Neill, the administration's point person on missile defense, acknowledged publicly would be in compliance with the ABM treaty. But what did President Clinton do when he vetoed the bill? He said that he had concerns about the possible impact of our bill on the ABM Treaty.

Mr. Speaker, that statement was absolutely outrageous. What we did in the bill is said that we should look to those threats that are there now. The most immediate threats, Mr. Speaker, are those posed by countries that either have the capability now, like North Korea and China with the SCSS–2 and SCSS–4, that have the potential in a few short years to have their missiles reach the shores of Alaska or Hawaii; or to have the threat posed by the Russians aggressively selling off the SS–25 architecture, which is currently their mainstay in their missile system.

An SS–25 has a range of 10,000 kilometers and it is mobilly launched. The Russians are now actively marketing that system to any nation that will buy it as a space launch vehicle. Once a rogue nation gets an SS–25, Mr. Speaker, without the nuclear tip on it, bit perhaps with a chemical, biological or conventional weapon, that poses an immediate threat to the mainland United States for which we have no system today that can shoot down one of those missiles. The American people, when you tell them that, they are amazed. They cannot believe that with our focus on defending this country, we today have no capability to shoot down an incoming ICBM. But the fact is, Mr. Speaker, we do not.

□ 1830

A further outrage is the Russians do. Under the ABM Treaty, each of the two signatory countries is allowed to have an operational ABM system that can be operated from a single site. The Russians have had an operational ABM system around Moscow that protects 80 percent of their population for the last 15 years. In fact, Mr. Speaker, the Russians have upgraded that system several times.

When I was in Moscow last month, I asked to visit one of the ABM sites. They told me if I came back a week later, I could visit it, but they would not let me visit it the week I was there. But we all know and they know and acknowledge publicly they have an operational ABM system. We do not, Mr. Speaker. We do not have an operational ABM system. We have no capability if, in fact, a rogue nation deliberately or accidentally launches one missile aimed at America.

Now, it doesn't matter whether it is aimed at New York and hits Miami, the fact is that we have no protection against a rogue launch against this Nation. Now, the administration said they didn't want to support the bill because it would violate the ABM Treaty. So we were very careful and we came up with provisions in the bill that said, OK, two branches of our services today have acknowledged publicly that they can build a system compliant with the ABM that, in fact, would protect all 50 States. Nothing in the way of violating the ABM Treaty. And that is exactly what we called for in the bill.

It wasn't until after President Clinton vetoed the Defense authorization bill the first time that Mal O'Neill, the head of BMDO for the Clinton administration, came out publicly and verified what I had been saying all along. And that is, yes, the Army has a variant of an existing single-site system. And the Air Force has a variant of the current Minuteman system at Grand Forks, ND, that with a modest upgrade over 4 years can provide a limited protection for all 50 States. Totally treaty compliant.

Cost? The administration and President Clinton has railed on about numbers in the $20 and $30 billion range. Mr. Speaker, I have had briefings. The Army says it can deploy a modified system in 4 years for a cost of less than $5 billion. The Air Force says they can modify the Minuteman, again a single-site system, again deployable in 4 years for a cost of less than $3 billion.

Mr. Speaker, there you have it. Working with the administration's own leadership and the military, we put together a scenario where we can protect the American people and we can do it at a cost of less than $4 to $5 billion and deploy it within 4 years. Each of those systems would provide a thin layer of protection against incoming missiles up to 10 with a 90-percent effective rate. Today we have no such system. And under the administration's revised program, we won't have a system. They are talking about a 3-year option and then making a decision and maybe 3 years down the road. Mr. Speaker, we can't wait 6 years. We can't wait 6 years, Mr. Speaker.

When the administration finally realized that we had, in fact, dealt with the ABM compliance issue and that we had, in fact, offered in our bill language to take existing technology, which the Air Force and the Army says they can do for the cost that I have mentioned, they realized they no longer had an ABM issue, even though President Clinton got up and said that. Everyone who knows the issues technically knew that he didn't know what he was talking about, and the ABM Treaty was not, in fact, jeopardized by our actions in the bill. Even his own people said so. So they raised a new issue, Mr. Speaker.

They then said through people like Bob Bell for the National Security Council at the White House, they said, well, there is no threat, we don't see a threat emerging. In fact, for the first time since I have been here, they politicized an intelligence study that was released early to minority Members in the other body that said that the Defense authorization bill had overstated the threat. Now, that was in early December, Mr. Speaker. On December 15—actually before December 15, I requested the briefing, the closed briefing, security briefing of the NIA, the updated assessment from our intelligence community.

I was so embarrassed by the briefing and so outraged by the lack of depth in the briefing, and I had staffers from both the National Security Committee

and the intelligence committee with me, that I got up and said to the briefer, Dave Lazius from the CIA, that it was not worth my time to sit through.

They did not answer the most fundamental questions upon which the results of the briefing were based. In fact, Secretary Deutch later agreed with me the briefing was not what it should have been and has asked me to sit through a rebrief which I have agreed to do.

Mr. Speaker, the brief, parts of which have been leaked to the media, not by the Congress but by the administration itself, made the case that there is really no threat, we don't have to worry.

Less than a week after the administration deliberately in a political manner leaked out parts of that what is supposed to be a secret brief on intelligence relative to the threat from rogue nations. Less than a week later, the Washington Post, on December 15, ran a story.

Now, Mr. Speaker, this story is important. It is important because it gets to the heart of what we are talking about here. The Washington Post story documented that the Jordanian intelligence agency, working with the Israeli intelligence agency, had intercepted a shipment of sophisticated advanced accelerometers and gyroscopes. Now what is so important about a shipment of advanced accelerometers and gyroscopes? And I can't divulge the exact number. It is a classified number. But we know how many were confiscated in this country.

Mr. Speaker, those advanced accelerometers and gyroscopes were going from Russia to Iraq. In fact, that is where they were intercepted. Mr. Speaker, the items in question can only be used for a long-range ICBM. Now Mr. Speaker, we have been told that there is no threat from a long-range intercontinental ballistic missile coming from Iraq. Then why would there be advanced accelerometers and gyroscopes going to Iraq from Russia? And should we not question the Russians about why this technology transfer was taking place? Because if, in fact, they were taking place, that is a violation of the missile control technology regime.

So Mr. Speaker, when I was in Russia for a week back in January, on my seventh trip there, meeting in the Kremlin with Yeltsin's key defense advisers, Mr. Kortunov and others and meeting with Ambassador Pickering and our staff at the Embassy in Moscow, I asked the question, what is the Russian response to the technology transfer of equipment that can be used for a long-range ICBM from Moscow to Baghdad? Ambassador Pickering said we haven't asked them yet. And the Russians said, we don't know what you are talking about, even though it was a story in the Washington Post, even though we had the devices now in our hands since they had been confiscated by the intelligence community in both Jordan and Israel, that no one knows about this.

I can't believe it, Mr. Speaker. Here we have a technology transfer that is a direct violation of the missile technology control regime that only has one fundamental end purpose, and that is to give the Iraqis the capability for the long-range missile that we know Saddam has been after for a decade and we haven't even asked the Russians how it happened.

Now here is the problem, Mr. Speaker. If those items were stolen from Russia, that is a problem because that means the Russians don't have adequate controls over the advanced technology that would help Iraq or another nation build a long-range ICBM. But, Mr. Speaker, if the Russians did know they were being transferred and being sold to Iraq, that is a problem because that is not allowable under the MTCR.

And perhaps, Mr. Speaker, that is why the administration hasn't asked the question. Because this administration, back in August and September of last year, without a lot of fanfare, very quickly, without much attention from this Congress, although I asked questions of the administration at that time, rushed Russia into the MTCR. Because they wanted Russia to become a player of those countries who would abide by the controls put into place by the missile technology control regime.

The problem this administration knows, Mr. Speaker, is if they ask the question about the technology being transferred, they then have no recourse but to apply economic sanctions against Russia. And if they apply economic sanctions against Russia, that means we undermine Boris Yeltsin's leadership and perhaps cause turmoil inside of Russia and instability in this, an election year.

Mr. Speaker, that is absolutely the worst reason not to question the Russians about the transfer of technology that could ultimately pose a threat to our country. And it further undermines our confidence in the intelligence community assessing for us in a logical way without sanitization which is really occurring in terms of missile proliferation and technology proliferation around the world. I wrote a three-page letter to President Clinton asking him, and I would ask unanimous consent at this time, Mr. Speaker, to include my letter in the RECORD.

The SPEAKER pro tempore. Without objection.

Mr. WELDON of Florida. Asking the President some very specific questions about the technology transfer and I am still waiting for a response 1 month later. I also, Mr. Speaker, had a three-page letter drafted to the intelligence community asking for specific responses to questions about the upgraded intelligence assessment that was used by the minority party in the Senate to say we don't really have a threat to worry about.

Now, Mr. Speaker, some listening to this might think well, here is a Member of Congress who only wants to stick it in the eye of the Russians, he doesn't really care about relations with the former Soviet Union, he just wants us to build a bigger and bigger defense industrial base. First of all, Mr. Speaker, let me make this point. I have no parochial interest in missile defense. There were no contractors in my district, I don't have a military base in my district. I do chair the R&D committee.

Let me make one additional point, Mr. Speaker. I will match my record on Russian-American relations with any Member of this body. For the past 3 years I have cochaired the Russian-American energy caucus where I have worked with Members of the Russian Duma on joint energy deals, two of which are now in place, Sakhalin I and Sakhalin II with Mobil, Marathon, and McDermott Corporations. Western companies will invest between $50 and $70 billion in Russia to help them develop their energy resources. We are now working on Sakhalin III. In fact, the Russian Duma last December passed a new production sharing agreement which will encourage other projects of this type to help Russia stabilize the economy. Just 2 weeks ago, I was the only Member of the Congress in attendance at a luncheon with Mr. Chernomyrdin and the Energy Minister from Russia Mr. Shafranik where we talked about joint cooperation in terms of energy investment. Secondarily, Mr. Speaker, I work with Russia on environmental issues, Nikolai Vorontsov, a member of the Duma, has chaired the globe task force in Russia on environmental issues. I have worked with him as a member of globe U.S.A., in fact, was in St. Petersburg leading the effort on the part of our Navy to put funding in to help the Russians clean up their nuclear waste in the Arctic Ocean and in the Sea of Japan. As a member of the National Security Commission have fought for the past several years to get additional funding to help the Russians deal with their terrible environmental problems, working with Bob Colangelo and Vartov to establish joint Russian-American energy initiatives. In fact, just in December of last year had the leading Russian environmental activist in our country testifying before my subcommittee on ways that we can work with the Russians on environmental initiatives. Mr. Speaker, we are doing a ton of work with the Russians on the environment. Mr. Speaker, we have also proposed establishing a new Russian-American Duma to Congress forum. In January of this year when I was in Russia, I carried a letter from you, Mr. Speaker, which I delivered to the new speaker of the Russian Duma, Mr. Seleznyov. This letter suggested that both speakers should support the establishment of a formal process where Members of Congress and the Duma company meet at least twice a year focusing on specific issue areas; namely, the environment, energy, defense, foreign policy, and relations, as well as other issues that are going to

come up in the forefront, like the economy, health care, adoption laws, and so forth. That letter from you, Mr. Speaker, was delivered to Mr. Seleznyov by me. In addition, I met with members of the four major political parties in Moscow to convince them that it was in their interest to have more formal relationships with Members of the Republican and Democrat Parties in the Congress. I met with the Yabakov Party, Zhirinovsky's party, the Communist Party and Yavlinsky's party, and Mr. Speaker, the response was overwhelmingly positive from all of them.

But you know, Mr. Speaker, and we expect, by the way the Ambassador, the Washington Ambassador from Russia will be in my office tomorrow where I will meet with him, Ambassador Aleksey Arbatov where we will discuss the Russian administration, Mr. Seleznyov's response to your letter, Mr. Speaker, to establish this new forum, as well as your letter also outlining a proposal to establish a direct internet linkage where Members of Congress and members of the Russian Duma can communicate through simultaneous translation in a written form back and forth on an instantaneous basis. These are concrete proposals that we have made. These are concrete actions, Mr. Speaker, that we are taking on an ongoing basis. Last year I have hosted over 100 members of the Duma in my office. My goal is the same goal as President Clinton and that is to build a solid relationship between Russia that encourages economic growth, that encourages democratization and encourages the reforms you have been seeing in Russia. But the difference, Mr. Speaker—and this is a key difference, this administration wants to sanitize and ignore the realities of the Russian military threat.

□ 1845

The key thing that we have to understand, Mr. Speaker, is that the leaders of the Russian military are the same leaders who led the Soviet military; they have not changed. They are not a part of the reform movement and many of the actions being proposed by the leadership of the Russian military potentially pose a threat to this country's security.

Mr. Speaker, I think the Russian people want us to call their military leadership when things occur which they even cannot ask in their own country about, yet this administration tends to want to put its head in the sand and not acknowledge issues that occur like the transfer of technology of the Acceleramas, like the effects of the morale problems in the Russian military, like threats posed by the transfer of the SS–25 technology and the threat that poses to the United States in terms of a rogue nation getting that capability.

It reminds me, Mr. Speaker, the Clinton's administration policy reminds me of my first amendment that I offered on the floor of the House in 1987. At that time there was a debate in this Congress that was going on about the ABM Treaty much like there is now, and on that debate, Mr. Speaker, the liberals were saying that we should adhere to the strictest interpretation of the ABM Treaty. My amendment was very simple. It said the Russians in fact were in violation of the ABM Treaty because they had installed a large fader-phased radar system in a town called Krasnoyarsk. My amendment passed the House 418 to zero; no Member voted against it. But many of the liberals who voted for it stood up on this floor, Mr. Speaker, and they said it is not an important issue. The Russians just built that radar for space tracking purposes. They do not plan to use it in violation of the ABM Treaty; that has never been their intent. It is an accidental location. Yes, it is a technical violation of the ABM, but it does not really matter because it is not going to be used for battle management and certainly would not be used against the United States.

That was in 1987, Mr. Speaker. In 1995, General Voitinsev in the Russians' Military Historical Journal was interviewed. Now General Voitinsev for 18 years was the commander of Russian air and space defenses for the entire Soviet Union. In the interview he was asked about Krasnoyarsk radar, Mr. Speaker, and in response to the question he said he was ordered to place the Krasnoyarsk radar where it was by at-that-time General Ogarkov. General Ogarkov was ordered to place it there by the Politburo, the ruling body in the Communist Party and in the Soviet Union. So here we have the 18-year commander of air and space defense command for the Soviet Union now admitting in a public record in Russia that he was ordered to place the radar where it was in direct violation of the ABM that would eventually allow the Soviet Union to break out of the ABM Treaty and have battle management capability that would directly threaten the United States.

So, Mr. Speaker, we have to understand the context in which the Russian military operates. There are some in our Congress and there are some in the White House who want to do whatever they can to bolster up Boris Yeltsin, and what I am saying is, Mr. Speaker, we have got to be candid and frank with the Russians. When they violate a treaty, we have got to call them on it. When they violate by sending equipment or technology to Iraq, we have got to call them on it. When they want to send SS–25 technology out around the world as a space launch capability, we have got to call them on that.

Mr. Speaker, that is in our interest and it is in the interest of the Russian people that we understand what is going on and that we want them to be as compliant as we expect ourselves to be. But Mr. Speaker, that is not happening in this administration. This administration wants to lift up the rug, bury everything under the rug and say do not worry, everything is OK. Mr. Speaker, it is not OK, and I am not about advocating massive increases in funding in these areas. Every dollar that we plused up, Mr. Speaker, last year was done so with the request of Gen. Malcolm O'Neill. General O'Neill is President Clinton's point person on missile defense.

In fact, Mr. Speaker, General O'Neill is retiring this May. Right before our break in January I got wind that he was retiring. I talked to him, tried to convince him to stay on because I have confidence in him. I think he is a great American and a great leader. I put together a letter, Mr. Speaker, asking Secretary Perry to reconsider and ask General O'Neill to reconsider and stay on as head of BMDO. Within 1 hour I was able to get 22 Members of this body who were the leaders on defense issues to sign that letter asking that General O'Neill stay on, 12 Democrats and 10 Republicans. Everyone from JACK MURTHA to FLOYD SPENCE to the key leaders on both sides of the aisle on defense issues signed that letter asking to keep General O'Neill on board. Why? Because we in a bipartisan way have confidence in him. he did not do that. He decided and announced this past week that he is going to retire and I got the word, Mr. Speaker, through the grapevine of the Pentagon that the administration, to further downplay the whole potential threat for missile defense, that they were going to replace General O'Neill, who is a three-star general, with a two-star, and the notion was that if Bill Clinton won the election by lowering it to a two-star position there would not be as much visibility. But if a Republican won the Presidential election, then the Pentagon would elevate it back up to three-star to give it the visibility it warrants.

Mr. Speaker, that is outrageous.

I will say that when I raised this issue with Dr. Kaminski he said he would not support that and felt that the appropriate level of support that has been displayed by General O'Neill as a three-star should be continued by whoever replaces him.

But, Mr. Speaker, the turmoil continues. The program outlined by this administration is not logical, it is not based on threat, it is not based on reality and we are going to counter that with every ounce of energy in our bodies this year, Mr. Speaker. In fact, tomorrow we will have our first missile defense hearing. Thursday I was supposed to have General O'Neill come in along with the Air Force and the Army. I am still scheduled to have that hearing on Thursday, where they can talk about their national missile defense capabilities. But, Mr. Speaker, unfortunately I heard in a phone call from General O'Neill yesterday that he is being told by superiors not to come before my committee. Perhaps there is something that he cannot say or perhaps the administration does not want

it on the record again that, in fact, the people who are responsible for these programs are going to say directly opposite of what the Commander in Chief said, that in fact we can deploy a system that is not in violation of the ABM Treaty.

Well, I can tell you this, Mr. Speaker. I am having a hearing on Thursday, and I am having a hearing with General O'Neill and with General Garner from the Army and with the general from the Air Force to talk about it and if they are not there, we will have empty seats, and we will let the people of America decide.

Now, the Pentagon said we are sure we want them to come in because Dr. Kaminski has not briefed the Congress on program needs for this year. Mr. Speaker, that hearing has nothing to do with program needs. All we are talking about is what capability do we have now, what capability do we have now, and can we in fact deploy systems in the Air Force and in the Army using existing capabilities at a low cost that can give us some protection.

So, Mr. Speaker, if there is anyone in the Pentagon listening tonight, we are going to have the hearing on Thursday and I hope you show up because if you do not show up, we are going to have the hearing anyway.

Mr. Speaker, beyond that hearing we are going to have 10 hearings this year on the threat from missile proliferation, on the Russian command and control problems. We are going to have a hearing on joint, dual American-Russian cooperation in missile defense programs. We are going to have a hearing on the standpoint of political implications of the ABM from Russia's standpoint, just as I have asked the Speaker, their Duma, on the political implications of the ABM from our standpoint. We are going to have the most aggressive debate in this country's history on the threat to our people from a proliferation of missiles, and I would hope in the end, Mr. Speaker, that when we have to make a final decision on a defense bill that it will be based on fact and not rhetoric.

It troubles me though, the direction I see the administration going. The week before we left for the February work break, Mr. Speaker, we were called in as members of the Committee on National Security and we were told the administration was going to ask for a $3 billion reprogramming request from this year's defense bill. Now this administration, who is telling the American people we do not have enough money for defense, we do not have enough money for the priorities of missile defense, General Shalikashvili's letter to General Luck saying we would like to help you, but we do not have enough money for that and to protect our troops in Korea, this administration asked for a reprogramming, Mr. Speaker. One of the items was to reprogram $80 million of DOD money to train the police force in Haiti. Now, Mr. Speaker, to me that is outrageous.

I live near Philadelphia. Philadelphia could use $80 million for its police force. So could New York. I think Washington, DC, could use $80 million to train its police force. But this administration wants to reprogram $80 million of this year's DOD money to pay to train the Haitian police force, and they are telling us they do not have enough money for their priorities. This administration wants us to reprogram $200 million to pay the Jordanians for the peace agreement that President Clinton signed, $200 million out of this year's defense bill to assist Jordan in coming to the peace table; not coming out of State Department funds, not being appropriated publicly, but in a reprogramming request coming from this administration out of this year's DOD dollars.

Third, the administration wants to reprogram money for nation building in Bosnia. Now we are not asking the Germans to put money up, or the French or any other NATO country. We are going to reprogram money from out DOD budget to nation build in Bosnia.

Mr. Speaker, those are some of the outrages that I feel, but one that really got my attention during the break more than anything else dealt with the B–2 bomber. Mr. Speaker, I chair the Research and Development Subcommittee for the Committee on National Security, and I have consistently opposed the B–2 bomber this past year despite intense pressure from my party leadership, and the reason is not that I think the technology is bad, it is not. It is because we cannot afford it. In the current budget environment we cannot afford to buy more B–2's. But that battle was fought on the floor and those that supported the B–2, some of the most liberal Members who hate defense spending voted for it and we funded it. I think it was a mistake. But the ultimate goal of this President to go out to southern California, Mr. Speaker, just this past month and have a press conference and say to the workers working on the B–2, I think we ought to take another look at whether or not to build more B–2 bombers: Mr. Speaker, that is absolutely outrageous. Talk about hypocrisy, Mr. Speaker, that a President who says that we put too much money into the defense bill, that we plused up programs we should not have plused up is now talking about a study to determine whether or not we should build more B–2's. For those poor workers out in California who may be watching, Mr. Speaker, I would ask them to ask the President when that study is expected back. I would tell them it is probably the week after the November election and that is when the report will come back, no more B–2's.

Mr. Speaker, what I am saying in summary is it is time to stop playing politics with the defense of our country. Missile defense and the programs and priorities we have are not a Republican issue. Every gain that we made last year was done with support from my colleagues on the other side of the aisle. They were in the forefront of this debate. They were in the forefront on the committee, on the House floor, in the Senate, as well as the House of Representatives. This is a bipartisan issue that should be based on fact. If NEIL ABERCROMBIE's Hawaii is threatened by a missile from North Korea, every one of us needs to pay attention, and that is exactly the situation, Mr. Speaker, just as if DON YOUNG's Alaska is threatened from a missile that can potentially hit parts of Alaska from North Korea.

This year, Mr. Speaker, we are going to lay the facts on the table through the extensive series of hearings that we are going to have, 10 in the subcommittee, 2 in the full committee, starting tomorrow, through briefings we are going to have. We are going to make the case that it is in our interest to work aggressively toward missile defense; it is in our interest to work with the Russians to convince them that they have more of a threat from missile proliferation than even we do. In the end we have got to work together to only defend the people of America, the people of Russia and freedom loving people everywhere, just as we are doing with Israel.

Mr. Speaker, we have helped Israel build the prototype for what will be their national missile defense system; it is called the Aero Program. The taxpayers of this country have put a half a billion dollars into that program and it is justified, it is a good program, and it is good to give Israel the security they deserve. Why do not the American people deserve the same security? Why should we build a system that can protect the people of Israel from a missile attack and leave the people of America vulnerable?

That is the question we have to answer, Mr. Speaker, and we can do it without massive increases in funding, we can do it with a very careful and deliberate approach that builds upon the technology we have today that will deal with the threat we have today and build and allow us the options down the road to build a more elaborate defense capability, a more robust defense capability.

□ 1900

Does this mean that eventually the ABM treaty may have to be renegotiated? Absolutely. Mr. Speaker while I am not willing to take the treaty on this year, I am one who is firmly convinced the treaty has outlived its usefulness. But we need to understand the political considerations in Russia if we attack that treaty head on. My proposal is to grab the hand of the Russians and work with them to show them that we are no longer in a bipolar world with just two countries, with offensive military missile capability. We now have North Korea, we have Communist China, we have Iraq trying to get long-range missile capabilities, and it is in our interest to work together.

That should be the approach we use this year. Mr. Speaker, that will be the approach that I use as we begin our hearing process, and as we move forward to provide security for the people of this country with our fiscal year 1997 budget request.

Mr. Speaker, I include for the RECORD the Washington Times article of February 15, 1996, and the letter to President Clinton of January 30, 1996.

The material referred to follows:

[From the Washington Times, Feb. 15, 1996]

PLEA FOR MISSILE DEFENSE IN KOREA FAILS

(By Bill Gertz)

The chairman of the Joint Chiefs of Staff has declined to back the commander of U.S. forces in Korea in seeking to reverse a Pentagon decision to delay a new missile-defense system urgently needed in Korea to protect U.S. troops from North Korean missile attack.

Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, in a cable told Gen. Gary Luck, the commander in Korea, that the Pentagon plans to scale back funds for the Theater High-Altitude Area Defense (THAAD) to pay for other weapons modernization programs.

The Shalikashvili cable calls into question Clinton administration support for building effective regional anti-missile systems.

''Five years after 28 Americans were killed in the Gulf war by an Iraqi Scud, we still have no effective theater missile defense, which the administration has said is its top defense priority,'' said Heritage Foundation defense expert Tom Moore, commenting on the cable.

''It is absolutely reprehensible that the administration is leaving American forces abroad exposed to these growing threats,'' he said.

A spokesman for Gen. Luck had no comment. A spokesman for Gen. Shalikashvili said no final decision on the missile-defense funding has been made since the cable to Korea was sent.

Mr. Shalikashvili was responding to an earlier cable from Gen. Luck, who warned the threat of North Korean missiles is growing and that two THAAD batteries—18 launchers—are needed as soon as possible.

Delays in fielding THAAD, the first modern anti-missile system in decades, could have serious consequences for defending the peninsula against attack from the north, Gen. Luck stated in a Dec. 11 cable to Gen. Shalikashvili,

Gen. Luck wrote to seek the chairman's support for reversing the Pentagon's decision in October to hold up a new phase of THAAD development.

In his reply cable, Gen. Shalikashvili said that ''I understand your concern,'' but he did not say he supported efforts by Gen. Luck to reverse the decision placing a hold on THAAD's engineering and manufacturing development program, a new stage that would move the system closer to deployment.

Instead, the four-star general indicated THAAD may not be deployed at all. In 2002 or 2003, the Pentagon will put it in a ''shoot-off'' competition with a Navy wide-area missile defense system, he said.

Until the shoot-off, the Joint Requirements Oversight Council, which sets priorities for defense spending and weapons programs, ''is recommending THAAD funding at a minimum level,'' Gen. Shalikashvili stated.

''A final decision has not been made,'' he said. ''Will keep you advised.''

North Korea has deployed scores of modified Soviet-design Scuds, like those fired against U.S. troops during the Persian Gulf war, and reportedly is in the early stage of deploying a longer-range missile known as the No Dong.

The Shalikashvili cable also indicates that Pentagon missile defense policy is not in line with new provisions of the 1996 defense authorization bill, signed into law Saturday by President Clinton.

The authorization law orders the defense secretary to restructure regional missile defense programs to make Patriot PAC–3, THAAD and two Navy systems, known as lower and upper tier, top-priority programs. The law sets specific dates—all by 1999—for deploying the first models of the systems. Full-scale deployment must begin by 2000 for THAAD, and by 2001 for upper tier.

Gen. Shalikashvili stated in the cable that the primary objective of the internal review of missile defense needs to to ''free up dollars for critically underfunded areas of recapitalization.''

The proposed competition in 2002 or 2003 between THAAD and Navy upper tier could delay production of the wide-area defense system by three to five years, Gen. Shalikashvili said.

More than a dozen Senate Republicans, including top party leaders, wrote to Defense Secretary William Perry last fall urging him not to delay THAAD.

Any slowdown in THAAD development would be considered ''a declaration by the administration of a lack of commitment to theater missile defense,'' the senators stated in a Nov. 7 letter to Mr. Perry.

MISSILE DEFENSE

[Excerpts of a cable sent to Gen. Gary Luck, commander of U.S. forces in Korea, from Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, on Jan. 19.]

In response to Ref. A [a cable from Gen. Luck of Dec. 11], Ballistic Missile Defense programs are under internal DoD review to evaluate the cost-effectiveness strategies for meeting validated theater missile defense requirements. The primary objective is to free up dollars for critically underfunded areas of recapitalization. For this reason the Joint Requirements Oversight Council (JROC) is recommending THAAD funding at a minimum level necessary to continue development toward a shoot-off with the Navy theater-wide ballistic missile defense system in 2002–2003.

''My execptation is that this JROC plan, if adopted, will possibly delay an upper tier production decision three to five years. Full impacts of the JROC course of action under consideration are to be assessed by the services and Office of the Secretary of Defense Ballistic Missile Defense Organization. I understand your concern. A final decision has not been made. Will keep you advised.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 30, 1996.

President WILLIAM CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to express my concern about the recent attempted shipment of Russian missile components to Iraq. While this shipment, which included gyroscopes and accelerometers designed for use in long-range missiles, was intercepted in Jordan, it raises serious questions about the Russian government's willingness or ability to halt proliferation.

Reports of this shipment, in contravention of the Missile Technology Control Regime (MTCR), surfaced publicly in December, several months after Russia was admitted as a full member of the MTCR regime. Whether the Russian government sanctioned the shipment or not, the events which transpired underscore the fact that Russia is at best unable or at worst unwilling to fulfill its MTCR obligations.

Recently, I travelled to Russia and met with members of the Duma, defense advisors to President Yeltsin and officials of Rosvooruzheniye, the main Russian state arms export company. Russian government officials with whom I raised the issue denied all knowledge of this highly reported incident. Rosvooruzheniye officials were aware of the attempted transfer, but denied any involvement. I also met with Ambassador Pickering, who indicated that the United States neither sought nor received any information or explanation from the Russian government about the attempted transfer.

This recent incident is not the first time that Russia has transferred missile technology to non-MTCR states. In 1993, Russia sold an associated production technology for cryogenic rocket engines to India. Recently, Russia transferred missile components to Brazil. To this very day, Russia continues to aggressively market a variant of its SS–25 missiles under the guise of a ''space launch vehicle.''

If nonproliferation agreements are to have any meaning, they must be aggressively enforced through careful monitoring and the application of sanctions for violations. I believe that the Russian shipment of missile components deserves a forceful response from the United States, and I am deeply troubled by the U.S. government's apparent inaction in this regard. I would appreciate answers to the following questions in that regard:

1. Has the United States demanded from the Russian government a detailed explanation of the attempted shipment of gyroscopes and accelerometers to Iraq? If so, when did this occur and through what channels? If not, why not?

2. Has the Russian government responded, and what was the substance of the response? Does the Administration find it credible?

3. Do you believe that this shipment occurred with or without the knowledge of the Russian government, and what does your answer imply about Russia's willingness or ability to advance the U.S. nonproliferation agenda?

4. Why have sanctions not been imposed on Russia as a result of this attempted transfer of MTCR-prohibited missile components? What does the failure to impose sanctions, as required by U.S. law, say about the Administration's commitment to ensure the viability of the MTCR regime? Why wouldn't this set a dangerous precedent for others that might seek to circumvent or violate MTCR guidelines?

5. Russia's ascension to the MTCR regime as a full member imposes certain obligations on it that this incident demonstrates Russia is unwilling or unable to fulfill. What does that Administration intend to do to ensure full Russian compliance with its MTCR obligations in the future? Without acting firmly now in response to the attempted component transfer to Iraq, why should Russia believe that similar transfers will carry severe consequences in the future?

6. Please provide the dates and topic considered by the Missile Trade Analysis Group since the Russian shipment was reported.

7. Please list and describe all instances which raised U.S. concerns regarding compliance with the MTCR, all instances since 1987 in which the U.S. government considered imposing sanctions on a ''foreign government or entity,'' whether sanctions were in fact imposed and against whom; how long those sanctions remained in effect, and the reason why they were lifted.

Thank you for responding to these serious issues.

Sincerely,

CURT WELDON,
Member of Congress.

WHAT WILL HAPPEN TO HEALTH CARE REFORM?

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under a previous order of the House, the gentleman from Washington [Mr. MCDERMOTT] is recognized for 60 minutes.

Mr. MCDERMOTT. Mr. Speaker, 3 years ago President Clinton announced that he wanted to provide Americans with health insurance that can never be taken away. The congressional leadership has publicly bragged, in both bodies, that they killed health care reform. My concern tonight is, what is their alternative? Now, we have in the Senate presently, the other body, a bill languishing, the Kennedy-Kassebaum bill, that gives minimal protection, and yet not even that bill can get out of the other body, so the question is, what is going to happen? It seems to me that the history of this issue needs to be reviewed.

As you may know, it was a mere 150 years ago that the first surgery was done under anesthesia at the Harvard School of Medicine. Perhaps that is a good place to begin this examination of where we have been in health care and where we are going.

Many in my generation retain a deeply etched image of a painting depicting a physician sitting beside the bed of a small child while the parents huddled pitifully in the background. The title of the painting is something like ''Waiting for the Crisis''.

Physicians 100 years ago could do very little beyond setting fractures, amputating, and administering a variety of empirically tested concoctions.

Physicians were among the most broadly educated in the society and, as such, they were highly respected and expected to participate fully in the civic life of the society.

Even earlier, one of the most prominent physicians in the American Colonies was Benjamin Rush; as a Member of the Continental Congress, Dr. Rush signed the Declaration of Independence.

Eventually, he was defeated for reelection, but he spent the remainder of his professional career improving the lot of prisoners and the mentally ill in Pennsylvania. That was the last time a psychiatrist served in the Congress before I arrived in 1989.

Maybe some of you see a moral therein.

Advances in the diagnosis and treatment of disease between 1846 and 1946 were painfully slow. Services were rendered to patients by individual physicians who were paid on a fee-for-service basis.

Health insurance was a rare commodity, and thousands of people simply did without the treatment that was available because they could not pay for it. Others paid what they could when they could.

There was no expectation of a societal response to the need for universal health coverage.

I am speaking only of the United States here because you must remember that, in 1883, Otto von Bismark instituted government-sponsored health care for German miners as a preemptive strike to halt the spread of socialism.

The 1930's were, of course, a time of great turmoil in this country and, during that period, President Franklin Roosevelt proposed a system of universal health coverage for all Americans.

He did so at the same time that he was proposing Social Security, and the political weight of the two programs proved too great.

So he decided to separate the two proposals and to wait until the next Congress to complete his health care proposal. Unfortunately, the Second World War interfered with his plan.

Meanwhile, in typical American fashion, the American people were beginning to develop their own responses to the lack of affordable care.

For example, the Kaiser construction company was building dams in rural Washington State. Mr. Kaiser recognized the need to make doctors and hospitals available to his employees who were working at dangerous jobs in isolated areas.

Thus were planted the seeds of prepaid health insurance.

And during the war, more and more employers, eager to maintain a healthy and reliable workforce, began to offer health coverage.

At the end of the war, a wage and price freeze was imposed on the American economy.

But smart and thoughtful labor leaders found a way around this constriction on wages by inventing a concept called a benefit package, which was primarily a health insurance program to pay for doctor visits and hospitalizations.

Nonunion companies suddenly realized that if they did not also provide a benefit package for their employees, they soon would have union organizers working the floors of their plants and offices. So, they, too, provided a benefit package.

Emerging around the same time as employment-based health insurance, the prepaid coverage seeds sown by Kaiser were sprouting among groups of citizens who believed that only collectively could the costs of health care be met and contained.

In Seattle, a group of teachers and a few doctors began Group Health Cooperative of Puget Sound.

Group health was considered worse-than-radical; it was socialism, and the healthcare establishment repudiated it totally.

Because the doctors of group health rejected the concept of fee-for-service payment, they were denied membership in the Washington State Medical Association.

A lawsuit that eventually ended up before the State supreme court was necessary to force the association to admit group health practitioners.

At the same time, a similar group care program evolved in New York.

As it entered the post-war era, then, the United States was pursuing two major approaches to health care delivery and financing.

One system, financed by employers, offered no guarantee of continued coverage either during employment or certainly after leaving employment. Only union contracts in certain cases guaranteed coverage during employment.

Nonunion employees had no protection whatsoever.

The other system of delivery and financing was an adaptation of the cooperative movement that emphasized control by the recipients of the system's services.

Keep in mind that the insurance industry did not leap willingly into the mix and only reluctantly accepted the risk of insuring the health of individuals. They were hesitant, I expect, because they had no experience on which to base their rates.

It is against this historical backdrop of health care delivery and financing that we must view the medical developments of the postwar period. It was an era in which medical science and technology literally exploded. What is possible today was hardly conceivable to even the most imaginative scientist after the war.

Antibiotics revolutionized both infectious disease treatment and postoperative infections. Kidney dialysis laid the groundwork for transplant therapy. Noninvasive imagery such as CAT scans and MRI's made diagnosis more precise, and complicated surgeries more likely of success.

Bone marrow transplants and other cancer treatments made certain and speedy death from cancer less likely. Antipsychotic medications recast the treatment of the severest mental disorders.

When I walked into the ICU recently to visit my 90-year-old father, it struck me that nothing in that area of the hospital existed when I graduated from the University of Illinois Medical School in 1963. Only the human body remained essentially the same, except, of course, the hip and knee replacements and the cardiac bypass surgeries and the heart valves.

If you consider even briefly all of this rapid and turbulent change, you will appreciate the trepidation with which employers and the health insurance industry viewed the modern landscape of health care delivery and, especially, financing.

Health care delivery in this country has been conducted primarily by individual providers paid through a fee-for-service system.

As more treatment and procedures have been developed, the costs of care have risen exponentially.

Employers and insurers began to seek ways to provide coverage to employees while simultaneously controlling expenditures. Unfortunately, they sought cost controls in a system with no incentive whatsoever to limit expenditures. After all, the system suggested, if a treatment for a given condition is known, shouldn't everyone with the condition receive it?

To further complicate the mosaic which we call our health system—I would call it a nonsystem—in 1965, the Federal Government entered the scene to provide coverage to two groups not covered by the private sector because they are not employed.

The programs created to cover these two groups are Medicare and Medicaid.

They were designed to address the health needs of the elderly, the disabled, and poor women and children.

Neither the governmental nor the employer-based system had any agreed-upon definition of what constituted adequate care, or who should pay what portion of the bill for whom.

Thus, we have, in this country, a hopeless maze of health care delivery and payment schemes. The extent and quality of the health care you receive depends upon your age, where you live, for whom you work, the race or ethnic group to which you belong, and finally, your economic status.

The inconsistencies within our present system are truly mind-numbing, and the call for reform of both delivery and financing comes from all quarters.

As the cacophony of voices for reform began to rise, thoughtful minds examined other models of health care delivery and financing.

Because the cooperatives had been relatively successful in delivering good care at reasonable cost, they attracted the attention of those who, on the one hand, wanted to continue to provide health coverage to their employees but, on the other hand, worried increasingly about the costs of doing so.

Stories began to appear in the press, noting, for example, that the Chrysler Corp. was spending more on its payments to Blue Cross of Michigan than it was for the steel in its automobiles.

The cooperative model of health care delivery was very democratic; it gave a large role to its consumers both in defining the scope of benefits and in the selection of providers. The doctors were salaried and the organizations were run by executives responsible to a consumer board.

It was a functional structure, but one that did not correspond to the political views of most employers in this country.

Yet, another significant factor contributing to the present crisis in health care financing is the gradual globalizing of the economy.

The United States emerged from the war in 1945 as practically the only functioning, productive nation in the world.

But the World Bank, the International Monetary Fund, the Marshall plan, and countless other economic initiatives restored economic stability and prosperity to many countries.

As these nations regained strength, they became America's vigorous competitors. By 1980, the United States had lost its dominance of many spheres within the economic universe.

A widely held view insisted that production of competitively priced goods and services required curtailment of health care costs.

Plans fully paid by employers began to disappear. Deductibles, co-pays, and restrictions on the scope of services became commonplace as employers tried to control the costs of the health care benefits they offered.

Where labor and management once had squabbled only rarely over the costs of employee health benefits, they now saw these costs gradually becoming a source of ongoing friction and escalating conflict.

Today, reduction of existing health benefits is the single most common cause of strikes by American workers.

As the quest for cost control became more urgent employers began to scrutinize the activities of insurance companies.

In a booming economy, insurance companies took employers' premium payments, paid employees' claims, and paid dividends to stockholders.

They gave relatively little attention to cost control, in part because employers were not pressing for it, and in part because the insurers could simply overcome losses with the next year's inevitable rate hike.

But when the economy tightened, this traditional casual dismissal of cost controls no longer worked.

Multistate companies became exasperated with varying State legislative mandates and the inquiring eyes of State insurance commissioners; many began to opt for the self-insurance alternatives offered by ERISA legislation.

Small and medium-sized employers became increasingly agitated as their health care costs spiralled and their profit margins shrank.

They began to do one of two things: As they were not required by law to provide health insurance to their employees, some simply dropped coverage; and others began to complain to their insurers.

Employer-based health insurance peaked in 1980; it has been declining steadily since.

All of these factors led to the shrinking coverage that now leaves 40 million Americans without any health insurance whatsoever. A majority of these people belong to families in which at least one person works full-time.

As employers continued to drop the health insurance policies that covered their workers, insurers understandably sought ways to satisfy the cost and coverage concerns of their departing policy holders.

Eventually they seized upon a system of cost-controlled health care delivery known as the health maintenance organization, or HMO.

Let me take a moment here to define what I mean by HMO: A health maintenance organization is a healthcare delivery system in which every subscriber pays a fixed monthly fee that is used by a fixed group of salaried healthcare providers, mostly physicians, to provide a guaranteed package of benefits to the subscribers.

Although HMO's had existed in this country since the 1940's, they tended to be small cooperatives, not-for-profit entities controlled by the consumers they served. HMO's offered managed care, that is, a predetermined range of medical services for a predetermined charge. Of course, they were considered suspect by the traditional medical establishment.

Now back to our narrative: Insurance companies gradually recognized the lucrative potential of HMO's adapted to the for-profit free market.

So they devised a new type of HMO to deliver health care to policyholders and profits to stockholders. To do so, they scuttled the old cooperative approach of consumer control and doctors' participation in the program's structure.

In its place, they constructed a system of managed care designed primarily to yield generous profits.

Accountants took the place of physicians and consumers, and managed care has come to mean a tightly controlled arrangement in which profitability determines the availability of care.

This decision of the insurance industry to fashion a scheme of coverage and payment that excluded involvement of both consumers and providers set us on our present course.

Insurers have created a system designed to maximize industry profits by incorporating financial incentives that discourage providers from giving appropriate-but-expensive patient care.

For-profit managed care has proved so lucrative that it now is offered by companies created to do nothing else.

Ironically, we have yet to see any demonstrable evidence that managed care actually produces the cost savings it promises.

What is clear, however, is that managed care as practiced by the insurance industry is simply an arrangement to redistribute health care dollars from the delivery of care to administrative functions. In California and Florida, for example, the papers are full of stories about managed care companies denying care to their enrollees or using as much as 30 percent of their premiums for overhead or profit. Clearly, these plans are designed to enroll only the healthy—and inexpensive, while leaving the sick to taxpayer-funded programs.

Now the Congress is trying desperately to revise both Medicare and Medicaid to enable private insurers to cover the healthy enrollees of these programs but to relegate the seriously

sick and needy to the residual State and Federal programs.

This deliberate attempt to deplete the insurance pool of people who are unlikely to need expensive, protracted care simply is exacerbating cost escalation and reinforcing the image of Medicare and Medicaid as incompetent, wasteful, and ripe for overhaul.

By now, you may ask, quite rightly, ''What is the answer to this mess?''

The only sensible answer is a single-payor system to finance—not deliver—health care in the United States.

As I say this, I see the spines stiffen and the jaws tighten.

Let me assure you that I am proposing an American single payor system, not the 112-year-old German system, or the 50-year-old British or Canadian systems.

Throughout the world, each nation's single-payor health care system reflects historical factors present at the time of that system's creation.

So an American single-payor system must be developed in the current context.

If I asked each Member of Congress to define a single-payor system, I probably would receive 400 different responses.

So that we might have a reasonable meeting of the minds on this subject, let me propose that we use the following definition, which I have borrowed from Professor Tsaio at Harvard:

Any single payor system has these two characteristics:

(1) a defined set of benefits guaranteed to all citizens; and

(2) a global budget to pay for the health services provided.

Let me clarify here that the term ''global budget'' refers to the fixed total amount of money that will be spent for 1 year on a given set of benefits offered to the entire population.

Nothing in Dr. Tsaio's single-payor definition prevents the private practice of medicine or restricts application of a variety of treatments, provided that all Americans receive the same access to the treatments, and that it is paid for out of the global budget.

Mr. Speaker, how can we justify not having a system of universal health care available to all citizens in the wealthiest, most creative democracy on earth?

This brings us to the first decision we must make—and which we so far have avoided: Is affordable, high quality health care a right of all Americans, or is it a privilege subject to all the vagaries of the age, race, income, and residency differences in our society?

I categorically assert that, like fire and police protection, like common school education, and like myriad other services available to all Americans, such as highways and air traffic control, Americans should have universal access to health care insurance.

Every industrial society around the globe has found the ways and means to do this.

And, I might note parenthetically here that successful single payor systems have been developed by virtually all of our most vigorous trading partners. And I can assure you that none of these savvy competitors is contemplating replacement of its popular and cost-effective single-payor system with America's chaotic, wasteful approach to health care.

In no other civil society can a citizen be bankrupted by illness, accident, or injury.

If you are unemployed and, coincidentally, your house catches fire, we do not deny you the services of the fire department even though you cannot afford fire insurance.

Why, then, do we allow your economic future to be destroyed if you develop leukemia and do not have health insurance?

Is an automobile accident that leaves you with long-term disabilities and huge medical bills somehow less worthy of a societal response than a house fire?

My answer is an emphatic ''no.'' In all of these situations, random events strike individuals citizens with overwhelming force that can be counteracted only by the collective action of the society.

If we, as a society, cannot agree that health care must be addressed on an all-inclusive basis, we are accepting the present lottery-like nonsystem which truly personifies Darwin's description of ''survival of the fittest.''

If we can agree that health care financing can be addressed only on a national basis rather than the present stupefying panoply of programs, we then are prepared to begin the design of the American single-payor system.

I suggest we call it Unicare.

We have only two questions to resolve and our job will be finished: First, what benefits shall all Americans be eligible to receive from Unicare?; and second, how shall we pay for it?

Experience has taught me that defining the benefits is perhaps difficult, but it is infinitely easier than deciding how to pay for the program.

I contend that the benefit package must be very broad and very generous because anything else will build the inequities of our present system back into the new plan from the start.

Let me explain: If we establish a narrow range of benefits for all Americans, we immediately create a market for secondary insurance to cover all those treatments that some may need but that are not covered by Unicare.

Individual economic circumstances instantly come to the forefront as the varying capacity of people to purchase supplemental benefits insurance gradually divides us into those who have and those who do not.

This is the situation we have today.

Creating a limited guaranteed benefit package simply will perpetuate the present system in a different form.

So I propose that we begin right now the national debate on a comprehensive package including pharmaceuticals, long-term care, and mental health services.

I do not want to take any more time here arguing the content of the benefit package beyond the issue of comprehensiveness, but there are two corollary issues about actual delivery of the benefit package that merit attention.

Although our coinage proclaims ''e pluribus unum,'' we are, in fact, many different communities in this country.

So, I believe, in the maxim of the great progressive Senator of the 1930's, Robert LaFollette of Wisconsin, that State legislatures are ''the laboratories of democracy.''

I see great practicality in letting individual States decide how best to deliver the guaranteed benefit package.

HMO's may be the preferred delivery mechanism in some States, while, in others, a negotiated fee schedule for private practitioners might be the method of choice.

We can all agree, I am sure, that all wisdom in these matters does not reside in Washington, DC.

I also am convinced that to make a system work, its providers—primarily doctors—should be at some risk financially; at the same time, however, they must be allowed—encouraged—to participate in the design of that system.

Actuaries, accountants, and lawyers cannot be expected to recognize the elements of medical cost escalation and control that are evident to physicians eager to protect both their patients and themselves.

Failure to recognize this fundamental fact is the single most telling blunder of recent health reform efforts.

Exclusion of physicians' participation in the design of a health care system is a sure prescription for disaster. Evidence of this already is appearing in the press.

Time magazine's cover story in its December 23d issue details the ethical dilemma physicians confront when they try to practice responsible medicine in a system they had no part in designing.

Lest you think this is purely a theoretical challenge, consider that I recently attended grand rounds at Children's Hospital in Seattle.

For 2 hours, I discussed with a dedicated group of seasoned physicians and new practitioners the ethical questions inherent in trying to deliver appropriate care to children within the restrictions imposed by profit-driven managed care.

As more and more physicians attempt to practice good medicine within managed care schemes that do not allow them to do so, the very significant shortcomings of our present unworkable system will become only more glaring. Good medical care will become scarce, indeed.

Let me turn now to the second major decision that must be made about our Unicare Program for all Americans: how to finance it.

It is estimated that, in 1995, we in the United States consumed 950 billion dollars' worth of health care.

That is almost 50 percent per capita more than either Germany or Canada spent, and the health statistics of those countries are better than ours.

In case you share my difficulty in truly comprehending the purchasing capacity of such huge numbers, consider this: In 1994, the Congressional Budget Office estimated that, with a single-payor system in place by 1997, it would be possible to offer a very generous benefit package, including prescription medications, nursing home care, and home health care, and still be able to apply $100 billion to deficit reduction within 5 years.

But these are estimates of the costs involved in running a single-payor system in this country.

How shall we get the revenue to finance the system?

Right now, employers pay all or part of their employees' health care premiums, and employees pay some part of the premium, plus a Medicare tax to provide health care to senior citizens, plus general taxes to finance Medicaid for disabled persons and poor women and children.

Employers also pay taxes to cover injured workers' medical expenses, and all citizens contribute general tax moneys to finance medical care for veterans and for members of the military and their families. In addition, we all pay indirectly for medical coverage related to auto accidents.

Health care finance has become a specialty unto itself, and it is no wonder that people struggling to understand this mess are hopelessly confused.

Let me offer a simple, straightforward alternative: The ideal funding mechanism for the new Unicare plan would be a single, dedicated source of revenue that is stable and predictable. So I propose an employer payroll tax of 8.4 percent and an individual payroll deduction of 2.1 percent.

At these rates, about three-fourths of those Americans whose health coverage is connected to their employment actually would spend less on medical care than they do today, parceling out money to pay for all the different programs I mentioned a moment ago.

And, as most businesses presently spend more than 10 percent of payroll to meet their health care costs, they, too, would enjoy an actual reduction in spending.

Now, assuming that the Congressional Budget Office's estimates are correct—they usually are—you very reasonably might ask, ''Why has the single-payor idea not been adopted?''

How could the Congress reject a proposal that provides an affordable, generous health care benefit package and reserves control of health care treatment decisions to health care providers and their patients?

The apparent answer lies in the economic power of the medical-industrial complex to resist proposals that threaten to encroach on the $950 billion pie.

But, to be honest, the real obstacle to universal health care financed by a governmental mechanism is the American public's deep distrust of its Government's ability to operate a large—nondefense—program successfully.

This simmering sense of doubt and suspicion has been fanned to an explosive level by a decade-and-a-half of Presidential proclamations that ''Government is the problem,'' and that all challenges within our society can be overcome by ''getting the Government off the backs of American citizens.''

Only in such a climate could the insurance industry's $100 million advertising campaign so completely undermine President Clinton's valiant attempt to reform health care financing.

So—the options before you and the American people basically are two.

First, either invite the health insurance industry to maintain its control of healthcare finance at the expense of quality in care. Allow the industry to continue to ignore the valid criticisms leveled by providers and their patients at a system designed to benefit insurers and their stockholders.

Second, or change the system to one in which doctors accept some financial risk but regain significant satisfaction in the practice of medicine because they reclaim responsibility to make the treatment decisions they believe to be best for their patients.

Ewe Reinhardt, the James Madison professor of political economy at Princeton University, recently observed that ''The way things are going, all doctors may become serfs of insurance companies by the year 2000.''

That is a bleak prospect and one with which I do not disagree. But I also remain optimistic. Why?

Because I concur with the sentiments of Winston Churchill, who, when asked what to expect from the Americans, replied, ''You can always count on the Americans to do the right thing—but only after they have tried everything else.''

It is time to do the right thing. We have tried everything else, and we are in far worse condition today than we were when President Clinton began his historic reform effort just a few years ago.

Health care is a societal necessity that does not conform to free market pressures.

It is foolish and useless to expect our economic system to mirror the fundamental social precepts of the country.

Our present shambles of a health care system is intrinsically unfair. It is cruel, it is discriminatory, and it is appallingly wasteful.

These qualities have no place in a democracy. We simply must restructure our health care system to the single-payor framework. And we cannot wait any longer.

We already know that market reforms will not work in the health care financing arena.

They do not work because they can not. Market reforms are not driven by the considerations of fairness, compassion, and adequacy that must define our health care system if we wish to declare ourselves a decent and sensible society.

□ 1930

Mr. Speaker, I call upon you to bring the Kennedy-Kassebaum bill to the floor, so that we can at least start this debate. We can no longer wait and let this issue go on. It is one of the fundamental reasons why people are concerned about their economic security.

All across this country, we have people who are losing their health care coverage. One million people working a year lose their health care coverage, and that is simply not acceptable in a democracy with the wealth and the creativity we have. We must begin on this problem today.

SHORTCOMINGS OF CONVENTIONAL WASHINGTON WISDOM

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, we are returning to session after several weeks of being able to remain in our districts and intermingle with the people who voted to put us here, and that is a very good phenomenon. It is one that I am certain that every Member has benefited from greatly. I have certainly benefited from it.

I think it is very important to have the opportunity to allow the common sense of our constituents to irrigate the deliberative legislative process that takes place back here in Washington. Common sense is a shorthand expression for, I guess, wisdom of the people. It is the wisdom of the people that we absorb when we go back home, and the wisdom of the people is very much needed to counteract the Washington conventional wisdom, which is very much stuck in a rut.

The Washington conventional wisdom, and I speak of a bipartisan wisdom, there is a lot of agreement here on some things that represent conventional wisdom that certainly needs to be challenged by ordinary common sense. I think that we recently have experienced a phenomenon with respect to the Republican primaries that has certainly placed common sense on the radar screen. The rise of media star Pat Buchanan, a candidate for the Presidency, has certainly lifted certain basic issues into an area of high visibility.

On the radar screen you have a discussion of certain issues that Washington conventional wisdom has refused to recognize. Problems that just were not accepted as being problems are now being discussed. So the conventional wisdom has been shaken up, and that is good.

God and American politics work in very mysterious ways. If some issues which deserve to be projected on to the center of the stage are projected by a conservative, rightwing Republican candidate running for President, then so be it; some good can come out of any set of circumstances.

□ 1945

The leadership here in Washington is stuck in a rut and that is very dangerous because when leaders, in their conventional wisdom, refuse to move off dead center because of the fact they are leaders and have great power, it is very dangerous. It is all right if my grandmother gets an ornery notion and refuses to budge, or my neighbor down the street who has certain odd ways wants to go off on his tangent, you know. That is an individual kind of thing that really won't hurt anybody. But when we get stuck in a rut and refuse to recognize certain problems here in Washington, it can do great harm, it can cause great suffering.

The same is true, of course, across the world. When you have leadership in command of nations, leadership in command of armed forces, leadership in command of MiG fighter planes, you can have a great deal of harm done when that leadership is stuck in a rut in terms of their own thinking.

Fidel Castro represents that kind of leadership, stuck in a rut and very dangerous. You had a situation that occurred which is something out of a bygone era. You do not expect MiG planes to be sent out to shoot down unarmed planes that are part of a peaceful protest. Yes, it was a protest. Yes, it was civil disobedience. Because they were probably violating the airspace of Cuba, the planes were shot down by Castro's MiGs. Yes, they knew what they were doing.

It was a civil disobedience act in the air. Any civil rights veteran, any person who has gone through the 1960's, as I have, knows that you take a chance. You take a risk when you set out on a civil disobedience venture, but you do not assume that the very worst is going to happen. Yes, Bull Connor ordered the civil rights marchers in Birmingham to get off the streets, and maybe he was the law and the order there. He was a commissioner and they were disobeying him. So they were disobeying the law and he set dogs upon them and he set fire hoses upon them. But Bull Connor had machine guns, and Bull Connor had rifles, and he could have shot them down. He did not go that far.

Yes, Gandhi against the British in India certainly angered a large number of military-minded British commanders and commissioners and so forth. They did put him in jail and they did all kinds of things to his followers, but they did not bring in the machine guns and shoot them in cold blood.

Civil disobedience is a risk. You take a gamble, but you assume that in a civilized society, you will be punished but the punishment will not be death. What Castro and his MiGs have done is committed cold-blooded murder against people who were engaging in civil disobedience. You do not have to agree with the civil disobedience or not. It is not for us to pass judgment in order—on the action and the politics of it. It was murder no matter how you put it, unnecessary cold-blooded murder that belongs to another era.

You talk about a new world order, you hope that we really have a new world order. The new world order involves some new kind of thinking where nobody would murder in cold blood a group of people who were conducting a civil disobedience action and that has happened.

So Castro and his leaders in Cuba, Castro and the pilots of the MiGs are stuck in a time bind. They are very dangerous. They are in another era. That is the storm trooper mentality. Very dangerous. There is no way you can justify. Yes, you commit civil disobedience, some punishment is going to happen. But here it was murder.

So my point is that it may not be that the stakes are as high, and the immediate murder is not the problem when we commit errors here in Washington, but we are causing a great deal of harm and a great deal of suffering because we just refuse to accept certain obvious premises. We refuse to accept the fact that there is a tremendous income gap in America and it is getting wider and wider. We refuse to accept the fact that wages are stagnated even among those lucky enough to have jobs. Even among middle class people with college degrees, wages are stagnating. We refuse to accept the fact that there is a great deal of anxiety among people who have college degrees and are in middle-management jobs, technical jobs, because they are finding that the layoffs and the streamlining and the downsizing affects them, too.

It is a time of great anxiety for good reason. At the same time, we see the anxiety being created by the insecurity. We see the stagnation at the other end of the pole, at the Wall Street level. We see the executives making salaries that are larger and larger, you know, now 200 times the average worker's salary is what the CEO's are making. We see tremendous profits being made overnight by new information industries that are capitalizing on technology that has been created by the entire society, the technology that is used by Netscape and a few of these other information giants who overnight went public on Wall Street and they become billionaires just because it is known among the people who know about information technology and technological communication, telecommunications, they know that these efforts are going to pay off in the near future. They are going to pay off and they are going to pay off big. Tremendous amounts of money being made at the same time others are suffering and this insecurity is being increased. We refuse to recognize that as a fact here, we refuse to address that. We have gone out and negotiated agreements on the world trade stage. GATT was negotiated. Then closer to home, we had NAFTA negotiated. Yes, it may be true, I voted against NAFTA, I voted against GATT. If I had to make the vote again, I would do the same thing again, but it was not because I am against free world trade. It is not because I do not recognize that we have a global economy taking place and that we cannot afford to build walls around ourselves and expect to survive or to be leaders in that global economy. I recognize all that. You cannot stand in the road and stop progress. I recognize that we had to move. But the problem is when we tried to get some kind of reasonable attachments, some reasonable built-in processes that would take care of the fact that there was going to be a great dislocation in the work force, there is continuing, continuing problems that must be addressed in terms of loss of jobs, retraining, loss of security, all kinds of things which could have been addressed in the preparation of the NAFTA and the GATT agreements. We could have had side legislation which dealt with problems that we knew were going to result. We were asking for some kind of humane approach to the debris that would be created by this great revolution. It is a revolution that is underway now, a revolution which is an economic revolution. And in revolutions, somebody is going to suffer.

I was at a conference, a seminar in Canada last summer, and there were large numbers, a significant number of people there who were there to discuss trade, world trade, the impact upon the United States' economy and workers, and some of them were from the current administration, some of them had participated in the negotiation of the GATT and NAFTA agreements. And repeatedly you kept hearing the phrase there are going to be some losers. You cannot avoid having losers. And I recognize that. It is a fact of life.

You are going to have some losers in a great upheaval, an economic revolution. But they would say there are going to be some losers, and they would shrug their shoulders as if so, you have to have some losers. There was no sympathy for the losers. There was no understanding that government has a duty to try to minimize the losses.

Government has a duty to care enough about people to want to take a program which provides the necessary resources to get people through this transition with a minimum amount of dislocation and a minimum amount of suffering. We have that conventional wisdom which locks into yes, there are going to be losers and, you know, we can not do much about it. Yes, we have to move forward and there is going to be some suffering, some people have to be thrown overboard, and our answer is

no. You can have GATT, you can have NAFTA and you can make it a humane step forward instead of a step backwards where the winners take everything and there are so many losers.

I will return to that in a minute, but I think I would like to cite another example of being—of where the leadership in Washington is stuck in a rut. There is a general acceptance here that the era of big government is over, that government automatically is a monster and, therefore, if you downsize government, you have created some kind of new public good. I do not accept that premise. The era of big bureaucracy ought to be over. The era of bureaucracies fumbling and stumbling, and bureaucracies that have lost their purpose, their sense of purpose, should be over, but we should not back away from the era of governmental commitment.

A government must be a guardian of the people who are in harm's way. The people who need government should have government there, the workers who are caught in the middle of the road as the steamroller of technological change comes down. As the steamroller of the global economy comes down, those workers desire to have government as a guardian.

Government, the era of big government ought to be certainly treated across the board in some kind of uniform way. If we really were serious about ending the era of big government and we really downsized on a sincere and reasonable level and a sincere and reasonable way, then you will be talking about downsizing the Pentagon and downsizing the CIA, and if you were downsizing all those humongous, monstrous agencies that have lost their reason for being, then you would generate funds in that process of downsizing those agencies which would be available. The funds would be available then for the job training, for the education, for the transition, the necessary transition items, necessary transition programs and projects that would allow people to adjust to the new age of information and the age of technology, age of telecommunications. But the wisdom here is that big government is over, the era of big government is over, but it is a phony statement.

The era of big government is not over. The Pentagon is as big as it ever was. The majority, Republican majority in the Congress, insisted on adding $6 billion to the Pentagon budget. I understand they are building new buildings and new facilities. The CIA is as big as it ever was. Recently, the CIA discovered that it has a slush fund, a petty cash fund of $2 billion that they did not know they had. So you know, big government is over in the area that helps people.

Big Government may be over in AFDC, Aid to Families with Dependent Children. They want to cut down on that. Big Government may be over, they would like to see it end in the area of Medicaid and cut back on the health care that is available for poor people. But on the other hand, the Big Government goes on and on and on in areas that are considered highly profitable by the Members of the Republican majority. If they were just sincere, we could downsize across the board and accumulate funds that could deal with the real problems that Mr. Buchanan's campaign has inadvertently kicked to the top of the agenda.

There is another Washington, piece of Washington conventional wisdom that is ridiculous and needs to be challenged, and that is that States can do it better. Block grants and State control is suddenly some kind of virtue in league with the 10 Commandments. I never heard States praised so much as the fountains of good government. This runs contrary to all the history that we can dig up for practically every State. The history of State government is littered with scandals and inconsistencies and incompetence. State government gave us the problem of young men going to the draft in World War I and World War II who were physically not fit to fight, you know, because of the fact that they had not been given free lunches, those poor people who needed them, had been malnourished, maltreated, no health services.

State government gave us that. State government gives us waste year after year of monumental proportions. In New York State, for example, State government is at an all-time low. State government is being led by the administration, happens to be a Republican administration, a Republican administration that has tried to turn the State of New York into a giant clubhouse. The executive branch of government is acting as if it is running a giant clubhouse. They are going to move State facilities around and State functions around in ways which accommodate their loyal constituency. The way you hand out patronage to the clubhouse, they are going to seek to hand out State services and State agencies as if they were a giant clubhouse.

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And they had the right to reward their workers by handing them that agency or handing them a hospital or handing them some set of functions in their particular area and taking it away from another area. The government of New York State has proposed to move certain facilities out of the State capital. Why do you have a State capital if it is not efficient and effective to have all of the pertinent services, administrative agencies grouped together. But he is going to take part of the State capital functions and move them to his home area of Poughkeepsie, NY and put them in facilities there because that is where his constituency is. Those are the people who voted for him and he wants to build up the economy of the area where he came from. And he is going to do this in a 4-year period, sort of throw the whole State government out of kilter by seeking to reward his loyal supporters while he punishes the people in the Albany area, the area of the capital, because they did not vote for him in as large numbers as people in Poughkeepsie voted for him.

It is an obvious move. Everybody is talking about it. What baffles me most is how and why nobody has brought a court suit or threatened to arrest the Governor. I do not know how you can so blatantly and so openly misuse public resources and be allowed to remain in office or not be challenged. That is going on now at the level of New York State government.

This Governor has gotten ahead of the Contract With America in many ways. He is already trying to change the standards in nursing homes, and he has already proposed a giant cut in Aid to Families with Dependent Children. He is already going after the poor with a vengeance. So he is ahead of the Contract With America and proving just how horrible the fate of the people who need government most will be under State governments.

So block grants to the States and State control of certain programs will only mean horror stories and great suffering for large numbers of people. Yet, the wisdom here seems to be give it to the States, give it to the States. The Governors have spoken. The Governors are unified. The Democratic Governors are with the Republican Governors on Aid to Families with Dependent Children. The Democratic Governors are in agreement with the Republican Governors on Medicaid.

Well, this Nation was not constructed, the Government was not constructed the way it is for no good reason. If they wanted Governors to legislate nationally, it would have been simple to have the Governors of all the States compose the legislature of the United States, but that is not the case. The Governors are now very greedy. They do not want to wait until the power is handed down to them. They have taken the initiative, become very aggressive, and now they want to take over the function of Congress. So the Governor of Montana, the Governor of Maine, the Governor of Nevada, States with very little in terms of population, they have very few people, so they have very little representation in Congress. We have New York, Texas, Florida, California with large numbers of Representatives in Congress, according to population. That is the way the Constitution constructed it. The Constitution may need some correction and adjustment with respect to the Senate, because we do not have one man vote in the other body. It is every State has two votes regardless of its population. That itself is something that ought to be on the agenda for the next decade to deal with. But, certainly, there is a good sense, common sense counterbalance in terms that the House of Representatives is proportioned according to population.

So how can 50 States, one Governor from each State, usurp the Congress' right and begin to make legislation with each one of those Governors having an equal vote? They broadcast this all over. We agree, all of us agree, all of us agree. The Governor of Montana agrees with the Governor of Maine who agrees with the Governor of New York.

We are here, and we are here representing constituencies and congressional districts. And we reserve the right to make the decisions ourselves and not have the Governors usurp the powers of the Congress. Let them wait until this process runs its course. Let us see how much power we are going to hand down to the States. Let us see how the people respond. Let us not assume that the Governors are already in charge.

We have leadership stuck in a rut here in Washington. We have leadership stuck in a rut in Albany, in New York, and lots of other State capitals. We have leadership stuck in a rut in New York City. The mayor of New York City insists on continuing to cut education programs. Over and over again he goes after education, creating more and more problems in a city that cannot survive unless it has a more educated population. The city is losing jobs. The only hope is in the area of high, technology jobs, telecommunications. Only educated people are going to keep the city of New York alive. They mayor of New York City continues to make cuts. He is stuck in a rut in terms of how to approach a budget and how to set priorities.

The police, they will not be cut. The police represent a great deal of inefficiency because you have a lot of police who are doing the work that civilians should be doing. We were moving in the direction of civilianization of the police department, but because of political considerations, the mayor cuts education while he bloats the salaries of the police department who ought to be out fighting crime. And you could replace them with lower paid civilian workers. So we have this phenomenon of people in responsible positions, when they are stuck in a rut and their conventional wisdom is all that you have to work with. They cause great suffering and great destruction.

The Washington obsolete, out-of-step reasoning sets a pace for all the others. Washington is so off base in the last year, since this Congress began, until they knock everything else out of kilter. Other jurisdictions, States and municipalities pick up. Washington serves as a negative role model, and we have a great deal of incompetence, blundering, dishonesty, bullying oppression, waste, right down the line as a result of the example set here in Washington. We waste money on a monumental scale.

Whitewater hearings, for example. I understand there is an effort to keep the Whitewater hearings going on indefinitely. Whitewater is as great an example as you will want to find of a complete turnover of an official government function to a partisan party consideration. If the Whitewater hearings are continued, they certainly should be paid for out of the Republican Party's campaign funds, because it is a political campaign that is being waged through an official congressional hearing. If Whitewater really was sincere, if Whitewater had any credibility and Whitewater meant anything other than a way to harass the President by the other party, if Whitewater was really focused on savings and loans scandals, then I would be the first to applaud Whitewater. Because if ever there was a piece of American history that has been smothered and kept out of the view of the public, it is the savings and loan scandal.

Whitewater is cited by the people who are conducting the Whitewater hearings as being very important because I think $60,000, $60 million, I have forgotten, 60 million, 60,000, in a minute you will understand why neither one impresses, 60 million is considerably more than 60,000. That is a lot of money. Whitewater lost that, the bank lost it. There is nothing that says the President or the First Lady had anything to do with those losses, but it is a good idea to have savings and loans, banks investigated and to have the spotlight thrown on the savings and loan scandal.

As I have said many times here on this floor, the savings and loan scandal was the biggest swindle in the history of civilization. In the history of mankind, never have so many gotten away with so much and walked off scot-free as in the savings and loan scandal.

If you were serious about investigating the savings and loan scandal, if you were serious about exposing to the American people the great cost of the savings and loan scandal, then you would have a hierarchy of hearings. You would start with hearings related to the banks that lost the most money. If you were serious, you would start with Mr. Keating's bank. Mr. Keating has so much exposure and he did so many rotten things beyond what other savings and loans crooks did. After he ran out of FDIC funds, funds that were guaranteed by the Federal Deposit Insurance Corporation, Mr. Keating had his people go out and swindle senior citizens of their money, and it had no FDIC backing. So the State of California went after him in such an obvious way that the U.S. Government had to fall in line and go after him. So Keating and his whole savings and loan empire, they got exposed; and Keating, for a liability of a minimum of $2 billion—you will see why $60 million was so-so, did not register well in my mind—when you start talking about $2 billion, you can see why Whitewater's $60 million pales in comparison.

Two billion dollars, what Keating's empire cost at a minimum. The FDIC had to cough up that much money in order to bail out the banking empire that Keating had thoroughly looted. So Keating got 12 years in jail. With good behavior he will soon be out. But at least he got some jail time. At least it was exposed. So Keating's S&L scandal ought to be investigated a little bit more, and we ought to have hearings about that just to let the American people know what the dimensions of it were, that if you steal $2 billion, you will get 12 years in jail. If you are the victim of a great deal of publicity, if six Senators are accused of helping you, then you can't, you will end up getting 12 years in jail.

At least the American people ought to clearly have the Whitewater hearings people throw Whitewater aside and focus on that, No 1. And then banks that lost a billion and a half would come next. Let us have hearings on all the savings and loans banks or all the other banks, because in the process of correcting the savings and loan scandal, there were many regular banks that were not savings and loans that also were involved in the same kind of chicanery, same kind of crooked deals, same kind of racketeering enterprises.

So take all the banks that cost the taxpayers a million and, a billion and a half and have hearings on them next, and then after that, all the banks that cost the American taxpayer a billion, and then after that go down to the $900 million and then the $900 million. I think if you did it that way and were sincerely interested in exposing to the American people exactly what we lost in these savings and loans swindles, exactly how it worked and how we should guard against it for the future, and how private enterprise is not the great, efficient, honest capable productive sector that we make it out to be, a whole lot of lessons could be learned if you took those kinds of hearings and substituted that for the focus on Whitewater. You would get to Whitewater eventually.

Probably in 10 years we will get down to the $60 million level. After you go through all the ones that lost more than a billion and a half, those that lost a billion, those that lost $900 million, then you come down systematically, maybe you will get to Whitewater in 10 years. Then we can say that we have an investigation and a set of hearings that are truly serving the public interest, and they are not partisan fishing expeditions designed to harass the President. Then we could say that, and it would be a great thing for America and a great thing for civilization, because the kind of swindle that was pulled with the savings and loans swindle is something that we should know as much as possible about in order to guarantee that never again will it happen.

It is estimated that no less than $300 billion, $300 billion, the American people have lost no less than $300 billion. It may be as high as $500 billion. They do not account for it. What we need hearings for on the savings and loans is to make them sit down and tell us at one hearing what the summary figures

are at this point in February 1996, how many banks have you sold off, how much money have you recovered, how much restitution has been given by individuals, what happened with Silverado bank in Denver, CO? Silverado bank comes second probably to Keating's bank. I think they lost close to $2 billion.

The son of the President at that time, Neil Bush, sat on that board, and I read accounts of how he was indignant when they investigated and said to him, this board has been so irresponsible and maybe so crooked that you can't ever sit again on another banking board.

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He got indignant. Then later I heard that he calmed down, and they fined him. What did they fine him? I think they fined him $40,000. Silverado Bank had lost $2 billion. I think one of the board members named Neil Bush was fined $40,000.

That is the bank where there was an incident where a building was bought by a realtor for $26 million, and the building was appraised for $13 million. The bank told the purchaser we will loan you $26 million, and you deposit half of it in the bank because the orders are coming soon and we need that money to show. So they loaned them $26 million, $13 million more than the building was worth, in order to have the books show that they had a little more money in the bank. If that is not racketeering, you know, I do not know what it is.

But we cannot just talk about this in a special order; we need hearings, we need ongoing hearings, and we need to start at the very top with the banks that have lost the most money, and maybe we will get to Whitewater in my lifetime if you use that hierarchy. I doubt it.

The Washington conventional wisdom says let us go after Whitewater, which is just a pebble in the stream, and that is what is happening. Washington wisdom says we should balance the budget on the backs of the powerless, and that is passed down to the States and down to the city. Great harassment is taking place in New York. Anyone who applies for welfare has to wait several weeks, has to fill out very complicated forms, has to go through all kinds of bureaucratic harassment. They are harassing the poorest people because they have the least amount of power. That starts here in Washington. We go after AFDC, we go after Medicaid, we go after the areas where the people are the poorest at the same time we increase the budget of the Defense Department by $6 billion, $6 billion. At the same time we refuse to deal with it, the fact that the agribusinesses are on welfare and the agribusinesses are spending billions of dollars, are receiving billions of dollars in cash payments for not growing grain, for not planting anything, for not doing any work, and they do not have to pass a means test to prove that they are poor. We turn our backs on obvious waste while the conventional wisdom tells us to beat up on the poor, beat up on children who are receiving aid to families with dependent children.

Washington conventional wisdom promulgated by the majority, Republicans, say that the workers of America are a threat to the economy, that the workers of America are a drag on our forward progress, that not only do you have to keep the workers wages low, and they refuse to discuss an increase in the minimum wage, the majority, Republicans, would not even discuss it. I serve on the committee, the Committee on Education and labor, a name which I choose to continue to give to the committee, although the official name now under the Republican majority is Committee on Economic and Educational Opportunities. The word labor is such a horrendous word that they do not want it in there anywhere. The certainly do not want worker, term worker, around anywhere. For some reason, although I did not read it anywhere in the Contract With America, for some reason the majority of Republicans have chose to wage a relentless assault upon workers. Workers and their families are being attacked on every front. They refuse to raise the minimum wage, would not even discuss it. They go after the Fair Labor Standards Act, which deals with wages and overtime, et cetera. They want to radically change that. They go after OSHA, which provides for safety in the workplace. They are going after the Labor Relations Board. There is nothing, no component of American Government which is designed to help workers that has not been placed on the greater tack by the Republican majority. The assault on workers and their families as enemies of the American economy and the American people continues.

No wonder Pat Buchanan gets a response from workers out there when he dares to mention some of their problems. He only dares to mention some of them. Pat Buchanan talks about the fact that there is a gap, but he does not talk about how to close the gap. He would not support an increase in the minimum wage. When he is asked the question, he avoids the question. But he recognizes there is a gap, and every worker applauds. At least somebody would have visibility, somebody that the media covers recognizes that there is a great gap between most Americans, the great majority of Americans and the people at the very top; it ought to be closed. Somebody recognizes that this gap is caused partially by the global economy movement, which has been greatly enhanced by the passage of NAFTA and the passage of GATT. Somebody recognizes that when you have Mexican workers making a dollar an hour on a job where American workers may make $10 to $15 an hour, naturally the factory is going to move to Mexico. Any fool could tell you that, and you do not have to be an economist from Harvard to know that when you pass NAFTA and create those conditions, you are going to make life difficult for American workers who had those jobs before. At least Pat Buchanan has raised it up on the radar screen, and the workers now have somebody who indicates that they exist.

There is a lesson in this for all the Democrats at every level to pay attention to the fact of the assault on the workers has created a siege mentality among workers and a siege mentality among the middle class who do not like to be called workers. But the technicians and the professionals and the middle management people, they too are caught up in the siege mentality because they have concrete anxieties, definite causes for concern.

Washington obsolete, out-of-step conventional wisdom says that education and job training programs should be cut. Nobody was more shocked than I was when I heard that an agreement had been made in the continuing resolution process. The White House had agreed that the continuing resolution should contain cuts for education that we had been fighting all along and the President had indicated he would never accept. You know the $1.1 billion cut of title I is there, it is still there. The cut on Head Start is there, it is still there.

The agreement that every program should operate at 75 percent of its last year's budget means that there is a cut, at least $1.1 billion for Title I. The cut is there. If you accept that 75 percent of last year's budget will determine the continuing budget level for title I education funds, title I is the only program that funnels money from the Federal Government to elementary and secondary education. It is very important. It is important because the mayor of New York City is cutting education drastically, it is important because the Governor of New York State is cutting education drastically, and even though education funds that come from the Federal level are only 7 percent of the total, if they are taking heavy cuts at the city level and the State level, then the Federal dollars assume a new importance, and the increase—there was a slight increase in title I funds for most of the school districts across the country. That increase plus what they had before was very important in helping to maintain some kind of stability, and now with the leadership of the Federal Government the cuts at the local level, the State level, are larger than they would have been otherwise.

Their philosophy comes from the Federal Government, the Congress of the United States. The majority, Republicans, in the Congress have indicated that education should not even be a Federal function, that we should get rid of the Department of Education. They have made a frontal assault on education, and it is one of the smallest agencies, smallest activities, in Government. Yes, they sometimes

have a large budget because they have student loans and student grants, but when you look at the agency as a whole, it has the least number of employees, and it is a smallest, one of the smallest, bureaucracies. So why have an assault on education in an era when job training and education are needed more than ever?

The assault on education following the assault on workers, it all leads to a situation where large numbers of people in our Nation, voters, think that they are under assault, they are under siege, and they are right. The commonsense observance is more on target than the Washington wisdom. The conventional wisdom here in Washington says it is not enough of a problem to discuss. But the commonsense reason of the people says we have got a real problem and we will even go with all the liabilities represented by a Pat Buchanan candidacy to get some attention.

Education and job training cuts are outrageous at a time like this. I understand that the continuing resolution with respect to education and labor cannot clarify really whether we are going to have a summer youth employment program this summer. Summer youth employment program has already been cut over the years down to a minimum program, whereas New York City used to receive money enough to give 90,000 jobs to young people during the summer. In the last few years it has been cut all the way down to about 30,000 jobs, and now we are in danger of losing the 30,000 jobs. And New York City has 8 million people, a lot of young people. Now we are about to lose the meager 30,000 jobs because it is not clear in the continuing resolution what the funding level is for the summer youth employment. There is some talk about being funded at 75 percent of last year's level, but the summer youth employment was singled out last year to be phased out, and I think that last year's level is defined as the amount of money that was appropriated for phasing it out.

So it is not the same amount as it was the last operational year. We are still trying to clarify that, but the fact that it is even in jeopardy and there is a question shows how far afield the Washington wisdom is. The fact that the White House has not rushed to clarify that or rushed to make clear that in its agreement of a continuing resolution, it certainly did not mean to jeopardize the Summer Youth Employment Program.

But I have a solution. We have these cuts in education and the cuts in job training, summer youth employment. The solution is at hand. It has been supplied by the CIA. We have said that these cuts are being made because we must downsize government, streamline government, we want to end the era of big government, and I say that that is an acceptable goal. But if you do not do it across the board, then you are going to generate dislocations and suffering in the wrong places, and we have done that. By cutting education, by cutting job training, we are cutting in the wrong places, we are greatly crippling our efforts to move forward in the global economy and make America competitive. Education is key, job training is key.

So why do not we cut the CIA? I proposed this for 2 years in a row. I have had legislation on the floor saying we should cut the CIA by 10 percent per year over a 5-year period, and the legislation has gotten very few votes, 57 votes I think we got last time, which means that both parties, Democrats and Republicans, are stuck in a rut with their conventional wisdom. They will not vote to cut CIA. CIA existed primarily to spy on the Soviet Union. At least half of its resources were devoted to that enemy. The Soviet Union now; you know, we have them over here in our missile sites and the space program we are running jointly with them and all kinds of interactions taking place. Why do we need to have the same amount of money dedicated to the CIA as we had when the Soviet Union was the Evil Empire and we needed to keep tabs on them? You know, why do we need it?

So we have not been able to win the battle of cutting the CIA. The budget is not known, it is still a secret, and the Russian secret service, its equivalent of the CIA, they have exposed a lot of things, they have opened up a lot of their files, but we are strictly secret even to the point of not telling the American people what the budget is. A Member of Congress cannot get to know what the budget is unless he goes to a little room and looks at the budget and when he comes out he is sworn to secrecy and he cannot discuss it. So I refuse to go into the room.

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I refuse to go into the room. I accept the estimates of the New York Times, the estimates that the conventional, across-the-board most reliable sources say the budget of the CIA and the intelligence agencies under the CIA all come out to about $28 billion. So a $28 billion cut, a 10-percent cut of a $28 billion agency would be a $2.8 billion cut over a 5-year period. You could have a sizeable amount to put back in.

What I am here to propose is that we lost the fight. The CIA is not being downsized, not being streamlined. The era of big government, as far as the CIA is concerned, still is intact, but the CIA recently found $2 billion outside of the budget. They had $2 billion that they had not used over several years that they lost track of. It was in a petty cash fund.

The American people, try to comprehend a petty cash fund of $2 billion. Try to comprehend how an agency of the Government can lose $2 billion; how the Director of the agency can have $2 billion in his budget and not know about it. Try to comprehend that. I find it very difficult to comprehend, but let us not dwell on comprehending it. Listen to my proposal. My proposal is that you have $2 billion that you did not know you had. You have $2 billion outside of the attempt to balance the budget, outside of downsizing.

You have $2 billion, and education needs about $2 billion; $1.1 billion can go to maintenance of the budget at the same level for the title I program, $1.1 billion; $300 million can be restored to Head Start. We still have not used the whole $2 billion. The rest of it can go for the Summer Youth Employment Program, and we are even. No sweat, no pain. You do not have to hurt anybody. This is lost money that has been found, and now we can celebrate and take care of the young people of America in the school and in the Summer Youth Employment Program. That is a solution.

Let us throw aside the Washington conventional wisdom, because I heard that there are plans to let the CIA reprogram the money. They are going to be rewarded by being allowed to reprogram the lost petty cash. The slush fund will be given to the people who created the slush fund. There is an article in the New York Times which shows that maybe that will not happen. Maybe it will not happen. Suddenly, somebody has become indignant. Suddenly, there is talk about firing the people who lost $2 billion in their petty cash fund.

Mr. Speaker, I will include in the RECORD an article from today's New York Times entitled ''Spy Satellite Agency Heads Are Ousted for Lost Money.''

The article referred to follows:

[From the New York Times, Feb. 27, 1996]

SPY SATELLITE AGENCY HEADS ARE OUSTED FOR LOST MONEY

(By Tim Weiner)

WASHINGTON.—The top two managers of the National Reconnaissance Office, the secret agency that builds spy satellites, were dismissed today after losing track of more than $2 billion in classified money.

The Director of Central Intelligence, John Deutch, and Defense Secretary William J. Perry announced that they had asked the director of the reconnaissance office, Jeffrey K. Harris, and the deputy director, Jimmie D. Hall, to step down.

''This action is dictated by our belief that N.R.O.'s management practices must be improved and the credibility of this excellent organization must be restored,'' Mr. Deutch and Mr. Perry wrote in a statement. A Government official close to Mr. Deutch said the intelligence chief had lost confidence in the officials' ability to manage the reconnaissance office's secret funds.

Keith Hall, a senior intelligence official who has managed satellite programs for the Pentagon, was named today as deputy director and acting director of the reconnaissance office.

The office is a secret Government contracting agency that spends $5 billion to $6 billion a year—the exact budget is a secret—running the nation's spy satellite program. The satellites take highly detailed pictures from deep space and eavesdrop on telecommunications; everything about them, including their cost, is classified. The secret

agency is hidden within the Air Force and is overseen jointly by Mr. Deutch and Mr. Perry.

But overseeing intelligence agencies, especially an agency as secretive as the reconnaissance office, whose very existence was an official secret until 1992, is no easy matter. Well-run intelligence services deceive outsiders; poorly run ones fool themselves. This apparently was the case with the reconnaissance office.

Its managers lost track of more than $2 billion that had accrued in several separate classified accounts over the last few years, according to the Senate Select Committee on Intelligence. The committee had thought the sum was a mere $1.2 billion until auditors called in by Mr. Deutch found at least $800 million more in the reconnaissance office's secret books this winter.

The auditors told Mr. Deutch that the way the reconnaissance office handled its accounts was so arcane, so obscured by secrecy and complexity and so poorly managed that a $2 billion surplus in its ledgers had gone unreported.

''Deutch did not know, Perry did not know and Congress did not know'' about the surplus, an intelligence official said. ''There was a lack of clarity as to how much money was there and how much was needed.'' The audit is continuing and is expected to be completed by April.

The reconnaissance office also spent more than $300 million on a new headquarters outside Washington in the early 1990's. The Senate intelligence committee, which appropriates classified money for intelligence agencies, said it was unaware of the cost. In the only public hearing ever held on the subject of the National Reconnaissance Office, Mr. Hall testified in 1994 that the construction of the building was a covert operation and the money for it had been broken into separate classified accounts to conceal its existence.

The reconnaissance office is one of 13 intelligence agencies under Mr. Deutch. All will be covered in a report to be issued on Friday by a Presidential commission on the future of intelligence. The report will address the question of whether Government spending for intelligence—an estimated $26 billion to $28 billion a year—should continue to be officially secret.

Mr. OWENS. Mr. Speaker, let me just read a few items from this article. I will not read it all.

The top two managers of the National Reconnaissance Office, the secret agency that builds spy satellites, were dismissed today after losing track of more than $2 billion in classified money.

The Director of Central Intelligence, John Deutsch, and Defense Secretary William J. Perry announced that they had asked the director of the reconnaissance office, Jeffrey K. Harris, and the deputy director, Jimmie D. Hall, to step down.

This action is dictated by our belief that N.R.O.'s management practices must be improved and the credibility of this excellent organization must be restored.

I do not know how it can be an excellent organization; if they cannot keep track of their money any better than that, I do not have any faith in anything else they are doing. I doubt there is great competence anywhere else if you cannot keep track of your books. If you lose $2 billion, then how many other blunders and errors have been made, is the question. Any American citizen can ask that question and be on sound ground. Common sense should ask that question. But here we are praising these people. They run an excellent agency, except they lost $2 billion in their petty cash fund.

A Government official close to Mr. Deutsch, who is the head of the CIA, said ''The intelligence chief had lost confidence in the officials' ability to manage the reconnaissance office's secret funds.'' That is the understatement of the year, that they lost confidence. The office is a secret Government contracting agency that spends $5 billion to $6 billion a year. It is a secret, so you do not know exactly how much. They run the Nation's spy satellite program. The auditors told Mr. Deutsch that the way the reconnaissance office handled its accounts was so arcane, so obscured by secrecy and complexity, and so poorly managed that a $2 billion surplus in its ledgers have gone unreported.

I will not read anymore. I commend you to the New York Times of February 27, 1996. This is happening in your Government. This is one of the pieces of Government that conventional Washington wisdom has said should not be downsized, should not be streamlined. The era of big Government lives on in the CIA.

I want the $2 billion that has been discovered to go to education, to job training, to the summer youth employment program. Washington obsolete out-of-step reasoning says the income gap is not important. The minimum wage is not important. The minimum wage proposal is on the table. We have a piece of legislation which is sponsored by the minority leader, the gentleman from Missouri [Mr. GEPHARDT] and I am cosponsor, but at last count we did not have all of the Democrats on it, so I cannot really criticize the majority of Republicans for not supporting the minimum wage bill until we get all of the Democrats on it. A large number of Democrats are not supporting an increase in the minimum wage.

The bill says that we shall raise the minimum wage by 45 cents per hour over a 2-year period, twice; a total of 90 cents an hour over a 2-year period, so we will move from $4.25 to 90 cents more. It is a minimum, a meager effort to move forward in an era when the income gap is growing. In an era when wages are stagnant, we cannot even agree to move the minimum wage.

NAFTA, GATT, all these things were quickly moved through the process, the legislative process. There was a minimum of public discussion of what it means to have Mexican workers making $1 an hour in a job in which other people make $10 an hour; what it means to have Mexican plants not have to comply with environmental standards, while American plants have to comply. All of that was rushed through.

Suddenly Pat Buchanan raises the question, and it is now on the radar screen, and common sense says we ought to discuss it. Regardless of how you feel about Mr. Buchanan, you ought to discuss it. Pat Buchanan's bombshell has shattered the smugness and serenity of Washington conventional wisdom. There is an economic revolution, and it is fueled by rapidly escalating technology changes. A global economy is being created. The problem is that losers have not volunteered to be sacrificed.

Everybody says there must be some losers. Now we have a revolt of the losers. Losers want to vote for somebody else, somebody who is willing to talk about their dilemma, their problem. Why should losers accept their fate quietly? Why do losers have to be losers when we could have a transition process where we have education programs and job training programs which help people through the period where downsizing, streamlining, has taken place and all these technology changes are taking place?

The Buchanan media domination over the last few days has certainly captured attention of all sectors. People in my district who have no use for Mr. Buchanan and his racist, anti-Semitic opinions want to listen to him when he talks about the effects of NAFTA and the effects of GATT. The commonsense questions are being raised by the people in my district and many others. They wanted to say, ''Why aren't you doing something about the fact that so many workers are losing their jobs, and there is no job training for them? Why aren't you doing something about providing some kind of help for these people?''

Those are the questions that are being asked, and I have answers. We are. We are attempting to. We do not have the high visibility of media star Pat Buchanan or Presidential candidate Pat Buchanan, but the Progressive Caucus, the Congressional Black Caucus, we have legislation there. The legislation is there to call for a stimulus program that would have job training and get us through this transition period.

Nobody is a genius, and nobody proposes to know all the answers as to where we are going to come out after this technology global economy revolution takes place. We cannot predict that. We can come up with programs that help human beings get through the process, and we have legislation that is proposed.

In the Congressional Black Caucus budget, the alternative budget that was put on the floor of this House, the two areas that were increased were education and job training. The proposals are there. They have been offered. They are still there, but no consideration by the leadership. The majority Republican Party controlling this House does not want to make these considerations.

Maybe the high visibility we have gained through Mr. Buchanan's candidacy, maybe that high visibility will at least stimulate some discussions of an increase in the minimum wage.

Maybe it will at least stimulate some discussion of a minimum job training program that might move us forward a little bit.

But we are grateful. God and the American political process work in mysterious ways. We are grateful for this high visibility that the problems have been given. Out of the mouths of racists and anti-Semites some common sense can be heard. This is a great secret that is not so secret among demagogs and demagoguery. Demagogs know that you have to make some sense to people. You have to show common sense. Mr. Buchanan shows common sense.

Demagogs know that you have to address some practical, real, concrete problem. You have to do that. Demagogs know that you have to pretend to care about people's suffering. You have to pretend, at least. Demagogs know this. So this demagog is raising the high visibility, and for that reason we are grateful. We are not grateful enough to follow a person who has a whole history of anti-Semitic statements, a whole history of racist statements. We will not be carried away, but the issues have been raised. The Washington conventional wisdom has been shaken. We will go forward to try to be positive about filling the vacuum that we have refused to recognize up to date.

We should support workers. We should make certain that there are no losers that suffer unnecessarily. We should have a transition program that we solidly back in order to carry forward our economy and all the people in our economy.

CONDEMNATION OF THE COLD-BLOODED MURDER OF UNITED STATES CITIZENS BY THE CUBAN DICTATORSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MENENDEZ] is recognized for 60 minutes.

Mr. MENENDEZ. Mr. Speaker, I come to the floor tonight to condemn a brutal, cold-blooded, premeditated murder of U.S. citizens by the Castro regime this past weekend. I would like to go through the facts, Mr. Speaker, of what happened.

Brothers to the Rescue is a Miami-based humanitarian organization engaged in search and rescue missions over the Florida Straits. It was on just such a mission this past weekend. The members of Brothers to the Rescue were flying unarmed, civilian, defenseless planes in a mission that is identical to hundreds of missions that they have flown since 1991. They posed no threat whatsoever to the Cuban Government, the Cuban military, or the Cuban people. And the Cuban dictatorship knows this. They know what they have done. They know of lives they have saved. They have saved nearly 6,000 lives, Mr. Speaker.

I know what their mission has always been, because approximately 1 year ago I flew with Brothers to the Rescue. I was in a plane like those that were gunned down, brutally, by the Castro regime. On that flight, what we did is transverse the Florida Straits in international air space in search of people whose only crime was to flee a totalitarian regime, fleeing from repression and seeking freedom.

□ 2045

And in that process, that day that we were flying over the Florida Straits and in international airspace, we in fact found 12 individuals who were on a small island who had been there for several days who had no food and no water. And it is because of that mission, Mr. Speaker, that they in fact were saved. We threw water to them. We threw food to them. We telegraphed their location to the Coast Guard, and the U.S. Coast Guard ended up rescuing them.

That is only one of the many, many flights that Brothers to the Rescue has had in saving thousands of lives.

When the Cuban Government makes statements to the contrary about what Brothers to the Rescue is all about, there is no basis in fact. Brothers to the Rescue's aircraft on this past Saturday notified Cuban air traffic controllers as to their flight plans, which would take them along the 24th parallel, close to the Cuban airspace but still in international airspace, and under international law. That law provides a nation with a 12-mile limit on airspace as extended from the coastline of the nation.

Now, the response of the Castro regime, which was ordered at the highest levels of the regime by Castro himself, because it is impossible, if you understand the command structure of the regime in Cuba, you understand that such an order to gun down civilian, innocent individuals would never be done but at the highest levels in their chain of command. And we know that partially to be true, Mr. Speaker, because just recently, recently some retired United States generals, retired Gen. Eugene Carroll, who was in Cuba a few weeks ago, was asked what the United States reaction to such an act would be. Now, why would you ask that question if you were not preparing for that possibility?

It is now interesting to note that yesterday the Cuban Government openly bragged about a pilot who they sent to infiltrate Brothers to the Rescue and returned to Cuba the day before the incident. It is now apparent that that individual, Juan Pablo Roque, transmitted information to the Castro regime about the Brothers to the Rescue's flight plans for Saturday, and so we have here the facts developing of why I say that this act was premeditated murder and it is in fact an act of state terrorism.

You have an infiltrator pilot who tells the regime, Brothers to the Rescue are flying, they are flying one of their search-and-rescue missions, they will be in international airspace but near Cuban airspace, and therefore sets them up as clay pigeons. And you have a situation in which Castro's regime itself was thinking about the possibility of shooting down innocent civilians, asking a former retired general who was in Cuba about the United States reaction to such an event. Hence, the premeditation.

Even if these civilian aircraft were not in international airspace, which they were, our own Government tells us that they were, under every sense of international law, which was recognized by the European Union in their condemnation of the Castro regime, where they say that they strongly condemn the shooting down of two civilian aircraft on Saturday by the Cuban Air Force and where they go on to say irrespective of the circumstances of the incident, there can be no excuse for not respecting international law and human rights norms, under any sense of international law, it would not be appropriate to gun down civilians who were simply flying search-and-rescue missions.

The response of Castro's regime to these flights was to scramble two fighter jets from a Havana airfield. At approximately 3:24 p.m., on Saturday, the pilot of one of the Cuban MIG's received permission, asked for permission specifically, and proceeded to shoot down the first Brothers to the Rescue airplane, and then 7 minutes later the pilot of the Cuban fighter jet received permission and proceeded to shoot down the second Brothers to the Rescue airplane.

Now, this is a barbaric act. It is an act of state terrorism sponsored by, in fact, a government, a regime, I cannot find myself to call it a government because it rules by brute force; this is the barbaric act that we face.

And who died here Mr. Speaker? People who died here were U.S. citizens. Two of them were born in the United States. One of them is a former Vietman veteran. I do not know why the press continues to refer to them as exiles. I do not understand what that categorization is supposed to be. I am not quite sure that there are different standards of American citizenship. But certainly, certainly when someone is born in this country, when someone serves this country, is there any higher standard of being an American citizen?

Yet for Armando Alejandro, Jr. and Pablo Morales and Carlos Costa and Mario de la Pena, who left Miami's Opa-Locka Airport on Saturday, the 24th, on a routine humanitarian mission to search for rafters in the straits of Florida, and for their families, whom we grieve with today, I wonder when they are questioning about when they hear constantly the references simply to exiles and they are forgotten as U.S. citizens. One of them, in fact, was a former constituent of mine, Mario de la Pena, who was born in Weehawken, NJ.

He was raised in West New York, NJ, both communities that I am privileged to represent in the U.S. Congress.

He volunteered his time and services to serve his community, to rescue lives, and on Saturday he became a martyr in the eyes of the Cuban people and also in the eyes of Americans of Cuban descent as well as the others. But they were U.S. citizens flying in a defenseless posture, a civilian plane in a humanitarian mission.

Now, what has been our response? Our response certainly, we commend the President for having us lead a condemnation resolution in the United Nations, for taking some actions in the context of stopping charter flights to Cuba, of going ahead and insuring that Radio Marti, which is the only way that the Cuban people have information that can be presented to them from outside because Cuba is a closed society; only with the government's, the regime's own press, only told what they, the government, the regime, wants to tell them; Radio Marti does give information to the people of Cuba, and now it will increase its ability to penetrate.

And the President also said that he wants to move along in Helms-Burton, but while we respect those actions, it is simply not enough. It is simply not enough. If we are to send a strong message that in fact we will not tolerate our citizens being gunned down in international airspace, then we need to do more. Our response simply is not enough, and I expect the President to make other responses in the days ahead, and I believe that among the responses the President should take is the expulsion of the Cuban diplomatic mission from the interest section here in Washington; I believe that there should be a suspension or a reduction of money transfers from the United States to Cuba; I think there should be a serious curtailment of certain travel to Cuba and the licenses that the office of foreign nationals controls provide for certain types of travel; there should be a cessation of all migration talks with Cuba; the expansion of access to Television Marti should also be part of our information services beyond Radio Marti, and we have the technology to do so. We should use it.

We should be pursuing the possibility of economic sanctions at the United Nations, and we understand that the international community is not always there with us. But clearly now in the United Nations, if, in fact, you have a country that cannot observe the rule of international law, it should not receive moneys from an organization which promotes the rule of international law.

The United Nations should move immediately to freeze any moneys going to Cuba because they have shown themselves incapable of living under international law. We should be the leaders in that movement.

We should be talking to our European allies, who have condemned this atrocity, but now must go a step further. You cannot on one hand condemn the brutal murder of four innocent Americans and then give the Castro regime a prize by giving them an economic package.

And there have been discussions going on between the EU and Cuba in terms of an economic package, and the message that I believe our allies who say that they wish to promote democracy and human rights in Cuba must be that if you cannot live under international standards, if you cannot respect the universal declaration of human rights for which you are a signatory, then we cannot give you assistance. The only way in which you can get assistance is if you enter the family of civilized nations who obey international law.

And lastly, I hope the President is ready and prepared to respond to Castro if he once again uses the people of Cuba as he has in the past, as human bullets, in large refugee waves to the United States, this time having suffered this twice, this time and the people of Cuba having suffered this, this time the President should proactively and, hopefully, in a preemptive fashion say very clearly that if the Castro regime seeks to use Cubans as human bullets, that it is the United States' intention to quarantine the waters around Cuba so that the people who are used as human pawns and sent onto the high seas in which thousands have died can be rescued but also brought back to Cuba, and that during this period of quarantine any other vessels that may seek to enter the quarantine area would, in fact, not be permitted to pass, and, hopefully, by making this preemptive statement, we will send a strong message that we have to be ready to follow up so that in fact we do not go through another Mariel, we do not go through another 1994 incident as we have had.

Tomorrow, the House and the Senate go into a conference committee on the Helms-Burton legislation on the Libertad legislation. I would hope, and I expect, that the administration will work with the Congress in supporting a bill that sends a clear message to the world and to the regime that, in fact, unless you follow the road to democracy which has swept this continent in every country except for Cuba, and unless you move to respect the human rights of your own people as you have signed on to not by our standards but as you have signed on to by the universal declaration of human rights of the United Nations, then we will move to create democracy in Cuba by standing up for United States interests.

□ 2100

What are those interests that we purport in this legislation? Simply to give American citizens and American companies whose properties were illegally confiscated in Cuba the right of a cause of action in the civil courts of the United States, so they can pursue those companies who would traffic in the illegally confiscated properties that are rightfully American properties, and, in doing so, not only stand up for American businesses and stand up for American citizens, but, at the same time, deny Castro the profits from the illegally seized properties.

It is right for the United States to protect its citizens and to protect its companies from the illegal confiscation of its properties being used by others who have business contacts here in the United States, who profit here in the United States, and who would in fact profit from illegally confiscated properties. It is also important as we prepare in the Helms-Burton legislation to prepare for a post-Castro Cuba, to be ready for a traditional government pledged to democracy, to be ready for a democratic government, and telling those governments and the people of Cuba now, sending them a beacon of light that we in fact are in solidarity with those who seek democracy in Cuba, that we want to work with you, that we are not in fact your enemies, that in fact we want to help bring democracy and respect for human rights to the 10 million people who live on the island.

We do that in the Libertad legislation, in the Helms-Burton bill, through title II, which I have written and authored, by preparing a transitional plan and ultimately a democratically elected plan for a post-Castro Cuba. We also provide other provisions of the Helms-Burton law that send a very strong and unequivocal statement that in fact we are serious about protecting U.S. interests, we are serious about democracy, we are serious about promoting human rights.

To accept a weak version, a stripped-out version of Helms-Burton, especially after a week of repression in Cuba, which I would like to speak about shortly, of unprecedented repression in Cuba, after the senseless slaughter of American citizens, in fact to accept anything less than that is to send a wrong message about what the United States reaction will be to defend its interests, to promote its interests, and to defend its citizens.

Let me talk about the wave of repression that precipitated the event that we are talking about today, that came before that event, and that in fact finds us equally appalled.

Many of our allies, and some Members of Congress, say ''Well, we want to see peaceful democratic change come to Cuba.'' I agree with them. None of us want to see change come to Cuba by violence. But we have also said time and time again that the only person who can make change in Cuba be violent is Castro himself. He has the Army, he has the security forces, he has the weapons, and he has shown us his willingness to use it, against his own people, as he did nearly 2 years ago this July when he took a tugboat of over 70 people, who were simply fleeing from his regime, seeking liberty, followed them with Cuban destroyers,

and rammed the boat after having fired water cannons at innocent women and children. And, after ramming that boat and having it broken into half and it started to sink with the 70 people who were on board, using the naval vessels that he had in creating a whirlpool effect so that they would be sucked down and drowned, and in fact 40 persons died. Twenty children died, 20 adults died. So he has shown us his repressive nature.

You can come here to the United States, you can wear a nice Armani suit, you can sip Chablis with Madame Mitterrand, who heads a human rights group in France. You can court American businesses and tell them how, oh, you are losing a great opportunity to make money. You can toy with the American press. But that does not make you a civilized member of society. Actions speak much louder than words.

We saw it when he killed those 40 men, women and children. We saw it this past week with Concilio Cubano. For many of our allies who say we want peaceful change, which we agree with, we say where are you, raising your voices on behalf of a group within Cuba who has advocated peaceful but democratic change? A 120 member organization, an umbrella group, all forming different parts of Cuban society, independent journalists, independent economists, human rights activists, dissidents, who have joined together, and all they asked for was to simply have one of the basic fundamental rights we enjoy in this country and which people enjoy throughout the world, which is the right of assemblage. All they wanted to do was to meet in Havana, in their country, and talk about how they could move their country peacefully to democratic change and with a respect for human rights.

What was the response of the regime? It was brutal. Now over 100 people have been arrested. An incredible amount of the Concilio's national leadership has been arrested. One of them, whom I spoke to by phone in Cuba who was advising me of the arrests that had been going on and the harassment by state security forces, who, after I spoke to him, got arrested, his phone was obviously tapped, and after his arrest he has quickly been sentenced to a year and a half in jail. For what crime? For what crime? Simply because he sought to peacefully meet in his own country and try to create democratic change.

So for those of our allies and for those Members of the House who constantly talk about let us have peaceful democratic change, where are you? Where are you in raising your voices? For the whole week that the international press carried the arrests, I did not hear the voices of those Members of the House who traveled to Cuba. We have Members of the House who travel to Cuba. They go and they visit Castro, and he gives them a cigar and they talk, and when it is all over, when they leave, people get arrested.

Where are those voices? Where are the voices of the international community, our allies in this hemisphere and beyond, who say in fact that they want to see groups like Concilio Cubano move for democratic change. Well, where are their voices? Why are they not seeking greater sanctions? What is truly their position on human rights?

So we need to be responding as a leader in the world, and certainly in our own hemisphere, and certainly in this House, which is a beacon of hope and of democracy throughout the world. We need to be responding forcefully.

Concilio Cubano, which is just an organization that seeks peaceful democratic change, needs to be recognized, and it needs to be in fact supported by the international community. We may not agree with everything that they say, but that is part of a democracy. If there had been no Sakharov, if there had been so Lech Walesa in what is now in Poland with Solidarity, if we did not have Vaclav Havel in what is now the Czech Republic, would we have seen the movements to Democrats and a respect for human rights in those countries? No.

Now, we supported and gave hope and gave assistance and tried to work with the international community in Solidarity in Poland. We worked with Vaclav Havel. We raised our voice on behalf of Sakharov. We need to hear the same voices now. We need to hear them for the dissidents in Cuba.

Mr. Speaker, I have a list, and hopefully by making this list public, we in fact create the circumstances under which there is some sense of international protection for these individuals. I would like to at this point include the list of all of the leadership of Concilio Cubano into the RECORD.

1-Acosta Moya, Agustin Jesus: Comision Humanitaria de Ayuda a Prisioneros Politicos, 2-Aldana Ruiz, Miguel Angel: Liga Civica Martiana, 3-Alfaro Garcia, Reinaldo: Asociacion de Lucha Frente a la Injusticia Nacional, 4-Alfonso Aguiar, Jorge H.: Comite de Ayuda Humanitaria a Presos Politicos de Santiago de Cuba, 5-Almira Ramfrez, Irene: Movimiento Agenda Nacionalista, 6-Alvarez, Pedro Pablo: Consejo Unitario de Trabajadores Cubanos, 7-Arcos Bergnes, Gustavo: Comite Cubano Pro Derechos Humanos, 8-Ayala Corzo, Joge Adrian: Partido Renovacion Democratica, 9-Azoy, Tony: Movimiento Pacifista por la Liberacion, 10-Bacallao Perez, Jorge: Instituto de la Opinion Publica, 11-Bonne Carcases, Feliz A.: Corriente Civica Cubana, 12-Brito Hernandez, Pedro: Alianza Liberal Democratica Cubana.

13-Cabrera La Rosa, Alfonso: Asociacion Martiana Libertad, Igualdad y Fraternidad, 14-Campaneria Pena, Francis: Coordinadora Camagueyana, 15-Carcases Battle, Deysi: Foro Feminista, 16-Carrillo Fernandez, Ibrahim: Union de Sindicatos de Trabajadores Cubanos, 17-Cosano Alen, Reinaldo E.: Coalicion Democratica Cubana, 18-Costa Valdes, Secundino: Movimiento Opositor Pacifico Panchito Gomez Toro, 19-Collazo Valdes, Odilia: Partido Pro Derechos Humanos de Cuba, 20-Cruz Gonzalez, Ricardo: Partido Cubano Pro Derechos Humanos, Forida, 21-Chan Aguile, Cancio: Movimiento Nacionalista Democratico Maximo Gomez, 22-Chente Herrera, Jose Angel: Frente pro Derechos Humanos Miximo Gomez, 23-Escobedo Yaser, Maria A.: Frente Democratico Oriental, 24-Fabio Hurtado, Rogelio: Movimiento Armonia, 25-Fernandez, Juan Rafael: Movimiento Democratico Cientifico.

26-Fieitas Posada, Felix: Associacion Pro Democracla Constitucional, 27-Fornaris Ramos, Jose Antonio: Frente de Unidad Nacional, 28-Garcia Gonzalez, Dianelis: Asociacion de Trabajadores Independientes de La Solud, 29-Garcia Reyes, Jose: Movimiento Ignacio Agramonte, Camaguey, 30-Garcia Quesada, Orfilio: Asociacion Cubana de Ingenieros, 31-Gomez Manzano, Rene: Corriente Agramontista, 32-Gonzalez Noy, Gladys: Asociacion Pro Arte Libre y Concertacion Democratica Cubana, 33-Gonzalez Valdes, Lazaro: Partido Pro Derechos Humanos Independiente, 34-Gutierrez Perez, Nancy: Movimiento Pacifista por la Democracla, 35-Hecheverria Alarcon, Pedro: Frente Democratico Calixto Garcia, 36-Hechevarria, A. Yonasky: Movimiento Democratico Jose Marti, 37-Hernandez Blanco, Amador: Comision de Derechos Humanos Jose Marit.

38-Hernandez-Morales, Roberto: Atencion a Presos Politicos, 39-Herrera Castillo, Isidro: Movimiento Maceista por la Dignidad, 40-Hidalgo Hernandez, Belkis R.: El Derecho Cubano, 41-Ibar Alonso, Ernesto: Asociacion de Jovenes Democratas, 42-Jalil Jabib Jabib: Movimiento de Derechos Humanos de Carmaguey, 43-Jimenez Rodrguez, Aida Rosa: Asociacion Civica Democratica, 44-Ledesma Cordero, Celso: Organizacion Opositora 20 de Mayo, 45-Linares Blanco, Gladys: Frente Femenino Humanitario, 46Linares Garcia, Librado: Movimiento Reflexion, 47Lopez Diaz, Juan Jose: Corriente Liberal Cubana, 48-Lorens Nodal, Luis Felipe: Organizacion Juvenil Martiana, 49-Lorenzo Pimienta, Jorge Omar: Consejo Nacional de Derechos Civiles, 50-Lugo Gutierrez, Osmel: Partido Democratico 30 de Noviembre Frank Pais, 51-Maceda Gutierrez, Hector Fernando: Movimiento Liberal Democratico.

52-Marante Pozo, Jesus Ramon: Consejo Medico Cubano Independiente, 53-Martinez Guillen, Juan: Confederacion de Trabajadores Democraticos de Cuba, 54-Molina Morejon Hilda: Colegio Medico Independiente, 55-Monzon Oviedo, Juan Francisco: Partido Democrata Martiano, 56-Morejon Almagro, Leonel: Movimiento Ecologista y Pacifista Naturpaz, 57-Morejon Brito, Orlando: Movimeiento Pacifista 5 de Agosto, 58-Morel Castillo, Raul: Frente Sindicalista Oriental Independiente, 59-Ortiz Gonzaez, Clara: Comite Martiano Por los Derechos del Hombre, 60-Paez Nunez, Lorenzo: Centro No Gubernamental Jose de la Luz y Caballero Para los Derechos Humanos y la Cultura de Paz, 61-Palacio Ruiz, Hector: Partido Solidaridad Democratica, 62-Palenque Loveiro, Miguel A.: Movimiento Pacifista Solidaridad y Paz, 63-Palma Rosell, Ramon: Movimiento Patra, Independencia y Libertad.

64-Paradas Antunez, Mercedes: Alianza Democratica Popular (ADEPO), 65-Paya Sardin Osvaldo: Movimiento Cristiano Liberacion, 66-Perera Gonzalez, Felix: Movimiento Amor Cristiano, 67-Perera Martinez, Alberto: Comite Paz, Progreso y Livertad, 68-Perez Pineda, Orlando: Fundacion Civica Cubana, 69-Perez Rodriguez, Evaristo: Union Patriotica Cristiana Independiente, 70-Perez-Fuente, Merida: Frente Civico de Mujeres Martianas, Villaclara, 71-Pimentel, Raul: Grupo Ecologico Alerta Verde, 72-Pino Sotolongo, Isabel del: Association Humanitaria Seguidores de Cristo Rey, 73-Pozo Marrero, Omar del: Union Civica Nacional (por estar en prison firma Perez Castillo, Esteban), 74-Prades, Carlos, Union Nacional Cubana, 75-Ramirez

Munoz, Reiler, Union de Ex Presos Politicos Ignacio Agramonte, 76-Ramos Guerra, Jose Antonio: Sociedad Ecologista Cuba Verde.

77-Ramon Dominguez, Ernesto Pablo: Union Democratica Martiana, 78-Restano Diaz, Yndamiro: Buro de Prensa Independiente de Cuba, 79-Rios, Carlos M.: Sociedad Politica de La Habana, 80-Rivero Milian, Reinaldo: Comite Julio Sanguily Frente Unido Democratico Camaguey-Ciego de Avila, 81-Rivero, Raul: Agencia de Prensa Cuba Press, 82-Roca Antunez, Vladimiro: Corriente Socialista Democratica, 83-Rodriguez Chaple, Eugenio: Bloque Democratico Jose Marti, 84-Rodriguez Gonzalez, Jorge L.: Movimiento Democracia y Paz, Oriente, 85-Rodriguez Lovaina, Nestor: Movimiento Cubano de Jovenes por la Democracia, 86-Rosario Rosabal, Nicolas M.: Centro de Derechos Humanos de Santiago de Cuba, 87-Roque, Marta Beatriz: Instituto Cubano de Economistas Independientes, 88-Ruis Labrit, Vicky: Comite Cubano de Opositores Pacificos Independientes.

89-Salazar Aguero, Ismael: Asociacion de Trabajadores Por Cuenta Propia, 90-Sanchez Santacruz, Elizardo: Comision Cubana de Derechos Humanos y Reconciliacion Nacional, 91-Sanchez Salazar, Aurelio: Partido Social Cristiano, Camaguey, 92-Sanchez Valiente, Miguel Eumelio: Movimiento Libertad y Democracia (por estar en prision firma Lopez Rodriguez, Lazaro), 93-Santana Rodriguez, Felix: Grupo No. 5 Camaguey, 94-Socorro Salgado, Roberto: Movimiento Vicente Garcia, Las Tunas, 95-Soto Caballero, Marcelino: Union de Ex Presos Politicos, Camaguey, 96-Troncoso Aguiar, Javier: Union Sidical Cabaileros del Trabajo, 97-Valdes Fundora, Juan Antonio: Proyecto Cristiano por los Derechos Humanos y Sindicales, Santa Clara, 98-Valdes Rosado, Maria: Partido Democrata Cristiano, 99-Valdes Santana, Aida: Oficina de Informacion de Derechos Humanos, 100-Valido Gutierrez, Manuel E.: Grupo Independiente Minas, Sierra de Cubitas.

Mr. Speaker, to America's corporate community, it is time for them to understand that your approaches to Castro are undermining dissidency movements within Cuba. It is undermining people who risk their lives to promote human rights. It is undermining people who want to see democracy flourish in Cuba. There are no greater economic opportunities in a country except a country that is democratic, one that respects the rule of law, one in which you can get your contracts enforced, one in which you will not worry about your properties being confiscated when it is no longer in the interests of the dictatorship, when you have produced enough money for him to stay afloat, when you have provided the resources and the wherewithal to be able for him to have his stranglehold on the people.

So to the American corporate community, do you want to do business with someone who in fact has the type of blood on his hands that Fidel Castro has? Is there no conscience? Is the bottom line the ultimate factor in your decisionmaking?

Cubans on the island cannot even be paid directly by a foreign company. These hotels that are opened up by foreign companies in other parts of the world, who open them up in Cuba, they cannot pay their workers. They pay the regime. The regime takes most of the money and gives the worker a subsistence wage. So what do we have? We have slave labor.

What guarantees? Castro has said time and time again in many interviews that these economic reforms, which we have created, by the way, the limited economic reforms that exist in Cuba today, the acceptance of the American dollar, for which it was illegal to own until a few years ago, and the reducing of the third largest Army in all the Western Hemisphere, which when I mentioned this on the House floor many times there is a snicker. No, they are not going to come and invade the United States. That is not my point.

But does a small island like the people of Cuba who live on, 10 or 11 million people, why do they need the third largest army in all of the Western Hemisphere per capita? Why does not the regime reduce the size of that army and put more food on the plates of Cuban families who go hungry? Why spend all of that money on security forces, on a repressive army? Well, in fact, I just gave you two examples why, because Castro does not understand how to deal with pacifism. He does not understand how to deal with people who by peaceful means seek to either leave his regime or to promote democracy within the country. Because what did he do to Concilio Cubano? He went ahead and arrested many of its national leadership. Over 100 people are now in jail. He has others under house arrest. Women were strip-searched so they would be intimidated in participating with the organization. Some of its members are in hiding, seeking assistance from countries that have embassies there. They are looking for a place to go to. And yet we find doors that are closed and unwilling to accept them as a legitimate political refugee.

□ 2115

What did we see in the tugboat incident? Using that very armed forces to kill his own people, men, women, and children, and using his armed forces which he has gone way too far to shoot down U.S. citizens. Yet that army, as large as it is, has been reduced also because of the necessity that we have created against the regime. The acceptance of the dollar is because we have created that necessity. The international investment today that exists in Cuba is because we have created that necessity and that necessity has been the agent of change within Cuba.

Now, when the international community says that they want to promote democracy and human rights in Cuba, fine, let us see you do it. Why are you not giving refuge to those people who are peaceful dissidents and human rights activists? Why aren't you raising your voices? Isn't the bottom line the ultimate question for you, as well?

So to our international community and to our corporate community, there must be some sense of conscience in which one does not want to support a dictator who ruthlessly uses his armed forces against innocent civilians, and I would hope that the business community doesn't want to be supporting someone who has in cold blood premeditatedly had American citizens on his command killed.

I would like to meet the CEO's of those companies that in fact believe that it makes sense to invest in Cuba, in this regime, in this island in which there is no freedom but among the worst tryanny that the world has known. I would like to meet those CEO's. I hope that they will call me, and I want them to justify for me how you make such an investment in Cuba at a time such as this, and I would like them to be with me when they explain that to the families of the four United States citizens who died because of their willingness to go ahead and seek to rescue other people fleeing from the regime. I would like to hear you tell them, because I would really like to hear your explanation. It is in the United States' interests, forgetting about the people of Cuba for the moment, it is in the United States interest to pass a strong Helms-Burton bill, not only on the questions of democracy and human rights that we have spoken about.

It is in our national interest because Castro seeks to finish building in Cuba a Chernobyl-type nuclear power plant 90 miles from our very shores, a nuclear power plant that in fact, through a GAO report, states has serious risk to it because of its design and construction with defective wells. A report that goes and tells us that an accident at that plant which could be very likely if it were to be finished would create a situation in which radioactive material would fly as far north as the Nation's Capital and as far west as Texas. Do we really need a regime to have a nuclear power plant, a Chernobyl-type nuclear power plant, 90 miles from the United States? I think not. Not when we have seen the ruthlessness of this regime.

It is in our national interest to stand up for U.S. citizens and companies when their properties are illegally confiscated. It is in our national interest to have democracy come to the people of Cuba so that we do not face within the context of the Caribbean and Latin America a source of instability. It is in our national interest because in fact the resources that are spent. Let us look at the resources that are spent within Cuba.

The fact of the matter is that many of our companies seeking to circumvent our embargo spend an enormous amount of money in Cuba. They do it through attempts through third-party agreements. They are willing to, in essence, violate the laws of the United States, and it will be interesting some hearings that we are going to have about that how that goes about. But it is in our interest to have a country that observes the rule of law for which there can be legitimate investment, mutually beneficial, for which

we do not have to worry about a regime that will confiscate that property. For which we do not have to worry about a regime that if it was economically viable, which it is not right now, but which seeks to be economically viable by the assistance, both of private sectors and the international community, would again create the unrest that they created in the Caribbean and in Latin America at the height of their assistance from the Soviet Union.

And yes, the cold war is over, but no one has told Fidel Castro that. He still wants to hang on at any cost. So the fact of the matter is that what we have is proven facts. Setting up U.S. citizens, having somebody infiltrate them, giving him the word, here is there flight plan, having already sensed, well, what is going to be the U.S. reaction? Ultimately, what will they do? Well, maybe a little condemnation. Maybe they will stop a little money, but that is about it. But what message does he send?

He sends a message I can take United States citizens and kill them in cold blood, and at the same time he sends a message to the people inside Cuba, if this is what I can do with the United States citizens, imagine what I can do to you, so you better stay in line.

What is our response? Steps in the right direction, but it is clearly not sufficient. What is the international community's response? A little condemnation, but we will continue to deal with Castro. We will continue to give him money. We will continue to give him aid. We will continue to do business with him. What is the message? It is the wrong message. It says you do not have to observe international law. You do not have to live by the rule of law. You do not have to live under the process of a democracy. And you can get away with it. And you can get away with it. There will be a little screaming and yelling, but when it is all over, at the end, it will return to business as usual.

Now, we can change this course of events. We can say it is important to promote democracy and human rights. It is important to live by the rule of law. It is important because countries that are democracies are less likely to commit acts against other democracies. It is in our national interest, and we can sent those messages by passing a strong Helms-Burton bill.

We can do that as we go to conference tomorrow. We can be leaders and we were leaders once before in this regard. The international community said, oh, we do not like the Torricelli bill, the Cuban Democracy Act. Well, in the end, this Congress acted with leadership. Congressman TORRICELLI promoted that bill as its sponsor. It was signed by President Bush with then-candidate Clinton then strongly supporting it. And we have the basis of our present-day policy toward Cuba.

And the international community also said they did not like that. But that did not stop us. It did not deter us. And the agent of change in which much of the international communities today benefiting from is because of our very leadership, is because we have been promoting an economic embargo that in fact creates necessity for the regime and, therefore, creates the pressure for them to change and therefore permits international investment and the acceptance of the American dollar, and the reducing of an army that the Cuban people do not need, nor do we in the hemisphere need in terms of the size and potency of that army.

So we have shown through our leadership, despite what some others have said, that in fact we can be a beacon of light throughout the hemisphere and the world, that we can promote democracy, that we can promote human rights. And yes, sometimes we will take criticism, but that doesn't mean that we should be deterred.

Tomorrow, as the House goes into conference, we have that opportunity again. And I would hope that the President, based upon his comments, will in fact join the bipartisan efforts, both in the House and in the Senate, to send a strong message to the Castro regime, to send the message in fact that we will not tolerate the brutal gunning down of American citizens. That we will stand up for U.S. interests. That we will help the Cuban people realize their dream of democracy and of respect for human rights. And that yes, that is one of the pillars of our foreign diplomacy. And when we do that, then as a nation we lead, not only within the hemisphere, but in the world.

I know that right now the eyes of the world are upon us in how we react in this case. I certainly hope that my colleagues who have in the past said that they are for promoting democratic change within Cuba speak up and raise their voices on behalf of the peaceful dissidents within Cuba who have been arrested, lost their liberties. I hope that they will raise their voices against the barbaric acts taken by the Castro regime. And I hope that they will understand that the only way to send a strong message to this dictatorship, which has shown itself by every possible standard to be a brutal regime, that the only message to send now is by having a strong bipartisan vote on the upcoming Helms-Burton conference on the legislation that will be presented to us and then a signature by the President of the United States, the greatest country in the world, who would ultimately say to the people of Cuba, we are in solidarity with you.

We want to promote democracy, but we are unwilling to deal with a regime that brutalizes its people, that has no respect for international law. We say to that regime, it is time, your time is over. Get out of the way and let the people of Cuba realize their democracy. Let Cuba come into the family of nations that has promoted democracy. Let this hemisphere be the first hemisphere in the history of mankind to in fact have every nation be a democracy.

And, last, we send to the world community a message that we will not tolerate the safety of our citizens, the lives of our citizens being expendable by any dictator anywhere in the world.

USE OF PUBLIC LANDS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Colorado [Mr. MCINNIS] is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Mr. Speaker, as you know, my home State is the State of Colorado. My actual home is located high in the Colorado Rockies. I wanted to take a few minutes today to address my colleagues on an issue that is absolutely critical for the Western United States, and that is the issue of public lands. I think to understand the issue of public lands, you have to have some kind of historical perspective of how the West is unique, not only in its water, and I will talk about the water here in a few moments, but also in the public lands that are entrusted by the people of this country to the Federal Government.

In the early days when the settlement of the West was the crucial goal of this country, the bureaucrats in Washington, DC and the Government encouraged settlers to go West and go beyond the mountains. As they got to the mountains, because of the fierce winters we have, because of the mountainous terrain, because of the high altitudes, because of the difficulty in farming and ranching at those high altitudes, not too many people were encouraged to settle, say, for example, in the Rocky Mountains of Colorado.

□ 2130

Instead they went around the Rocky Mountains and went on to the States of California and so on. And in many of these States in the Midwest, such as the State of Kansas, you are able to, on a very few number of acres, produce a great number of crops or run many, many more cattle than you can per acre in the high Rocky Mountains.

So what happened was as time went on they discovered that there were people interested in going into the Rocky Mountains, but they felt that they still needed to provide a governmental incentive to move into the mountains. They knew that they could not do the land grants that they had done in some of the other States because to give that, to give a large enough amount of land for a settler out in the Rocky Mountains to really make it would be many, many hundreds of acres. And they felt, the Government at that time felt that that would be too much acreage in order for that to work. It was not going to be politically sellable. So what they did instead was had what they called public lands or use of public lands, entrust the public lands to the people of that area for the concept of multiple use.

That is a very crucial issue in today's evaluation of public lands. When I grew up in the Colorado mountains, every national forest sign said, and the Federal lands signs said, as you entered into Federal property, a land of many uses, multiple uses, a land of many uses. Unfortunately, today we have some more radical groups in this country, some of the more very, very liberal groups that want to replace that sign ''a land of many uses'' with the sign called ''no trespassing.''

Are these groups well-intended? I think the answer to that question is perhaps yes in some cases. But are they well educated on the issue of multiple use and how critical it is for the everyday lifestyle of people of the West? And the answer to that is no, they are not well educated on that issue, although they profess to be well educated, when they try and lobby back here to take away the concept of multiple use as we know it in the West.

Now, if you asked the question to most people, give me some examples of multiple use, they are going to say to you, well, grazing, the cattlemen, that is what they use Federal lands for, for grazing, or maybe the ski areas, they have ski areas on Federal lands for recreation. But ask them to give you some more examples of what we in the West use that land for, that Federal land under the multiple use concept. The answer really is pretty common sense.

Every drop of water, for example, in the Third Congressional District of Colorado either comes across Federal lands, is stored on Federal lands or originates on Federal lands. There are a lot of other uses of Federal lands and the use of public lands that we have out in Colorado. All of our highways go across public lands. All of our electricity, the power lines come across public lands. The cable TV, the telephone, our food, there are a lot of cattle that are run out there. But the primary uses of public lands are the uses which I have just said: water, transportation, communication.

And when some people back here in the East take on the position that we should not ever set foot again on public lands or that the use of public lands should be severely limited, I am not sure they understand how critical it is for the average working Joe and the average working Jane out there in the West to have multiple use on public lands.

Now, do we need to have a balance on public use and on multiple use of these public lands? The answer is clearly yes. Sometimes it really, really can irritate you when you are from the West and you hear someone that comes up and pretends that because you live in the West, that you somehow mistreat the lands, the lands that we have to entrust for the next generation and the many, many generations beyond that. Those of us in the West take particular pride in the way we treat those lands.

Of course, we do not want those lands savaged; of course, we do not want those lands destroyed. But we do think we have a right, for example, to take water off the Federal lands, to have drinking water, to have water for our crops, to have water for our small towns out there in the West. That water comes or originates or is stored upon public lands.

The State of Colorado, let me address water here for a moment, the State of Colorado is somewhat unique in this Nation. Colorado is the only State in the United States where all of our water runs out of the State. We have no natural water that runs into Colorado. Water is crucial for us. Back here in the East, as I understand it, a lot of States' problem with water is trying to get rid of it. The big issues back here is what you do in flood stages, what you do for drainage. In our State, it is how you store water for future use.

In Colorado, we do not have heavy rainfall. It is really quite an arid State. Instead what we depend upon is a 60- to 90-day period of time called the spring runoff. The snows that accumulate, in fact they are accumulating as I now address you in the State of Colorado, these snows accumulate in many places over 100 feet. And during that period of time called the spring runoff, which last 60 to 90 days, that water melts down, comes off the mountains and heads out of Colorado. In fact, the State of Colorado, I think, supplies water for 23 other States and for the country of Mexico. Because we do not have heavy rainfall, we have to depend, we have to get our water during that 60- to 90-day period of time, which obviously means you have got to capture some of that water, you have to have the ability to store that water, and be able to have that water for the remaining balance of the year where you do not have the spring runoff. And that is many of our storage projects in Colorado, if not all of our storage projects in Colorado deal with Federal public lands.

If we followed the theory or the concept or the order of some of these radical groups who want no trespassing signs put up on the public lands, we would not be able to store our water, and these people know that. A lot of these people know that. That is their goal.

In fact, a lot of times it is to the advantage of the downstream States to put whatever kind of restrictions there are on the upstream States so that they get more water flowing their way. The water in Colorado that we do not utilize, because we do not have the capacity to store it, goes on to other States that would like that water, that may be short of that water.

Water is our largest, besides our people, water is probably one of our largest assets in Colorado. And it all ties in with this multiple use of public lands. If you look at the history of Colorado, public lands has played a very strong part of the foundation of that State. Whether it be the minerals and the gold mining of the 1860's, clear on up to the oil shell exploration of the 1970's, that is one aspect of multiple use that has to do with the building of the State of Colorado.

But let us talk about another point, not the mineral extraction that has happened over the history of Colorado. Let us talk about the recreation of Colorado or the beauty of Colorado. A lot of people in Colorado make their living there because of the people and the tourism that come to visit these great, wonderful public lands. We do not want to destroy that. Tourism is our No. 2 industry, maybe even our No. 1 industry in the State of Colorado. We want to preserve that. And how do you preserve that? You have to preserve the beauty of the State.

Sure, some of our tourists come to Colorado to visit their relatives or come to the Rockies to visit their relatives, but primarily our visitors come out there to see the beauty of those mountains, to ski our fresh powder, to hunt there during hunting season, to enjoy river rafting down our rivers right after the spring runoff. So we would be following ourselves if we really were out there to try and destroy what the good Lord had given to us, and that is the beauty of the Rocky Mountains and the beauty of the West.

But by gosh, we have every right to stand in front of you here today and say, do not be so blind when we talk about multiple use that you take the concept of multiple use and dump it into the trash. It is too valuable. It is too valuable for the lifestyle of the frontiersmen in the West. That is how it came about, a land of many uses.

Take a look at the native Americans. The true native Americans out there in the Rocky Mountains or in the plains of Kansas that went into those mountains during the time that the early settlers had not even approached it. Take a look at the uses they made of those lands. They hunted on those lands. They had their religious services on those lands. They were born on those lands. They died on those lands. The heritage that exists all comes about or all ties in to that all-important concept of multiple use.

So my message to my colleagues here today is that the people of Colorado, the people of the Rocky Mountains and the people of the West in general support very strongly the protection and the guardianship of those public lands. We know they are not our lands. We know those lands belong to the people of the United States. Although we would like to say they are our lands, and many times we actually do, when we are out there and we infer that the lands within the State of Colorado belong to the people of the State of Colorado, we know those public lands do not belong, for example, to the people just in that State. They belong to all 50 States.

We know that we have a fiduciary responsibility to the people of America and to the future generations of America to protect that land. But that concept comes down to protection of that

land to one key word; that key word is balance. We have got to maintain a balance in the utilization and in the protection of the public lands of the West. It is very easy, very easy for people who have not visited the West, who do not understand the history of the West, who do not understand the people of the West, who have not studied their history in regard to the settlers and in regard to the politics of the time that encouraged the railroads to go out there, that encouraged the settlers go West, young man, go West.

Not everybody has taken a look at that. But the people who want to voice an opinion on the utilization of those public lands in my humble opinion have an obligation to educate themselves on those issues, have an obligation to come out and visit the State.

The Third Congressional District of Colorado, that is one of the largest congressional districts in the United States. It is the district I represent. It includes almost all of the mountains of Colorado. It includes all of the ski areas in Colorado. So if you have ever skied in Colorado, you have skied in the Third Congressional District of Colorado.

You can fly literally in a small plane, you can fly for hours and hours across that district and not come to the other end of it. You can fly for an awful long time and not even see another human being out on the ground, or every once in a while you will see a cabin up there in those mountains. We have protected those mountains. Now, clearly once in a while you find people that abuse, and those kinds of people we should have a zero tolerance level for.

For example, we had a disaster called Summitville in Colorado. That was a disaster, that was mismanagement, not only by the agency that oversaw the actual mining project but by the people that conducted that project. We should have zero tolerance of that. We do not want it. You do not want it. We do not want people that misuse the public lands that are entrusted to future generations. We do not want those people any more than you do. But when you make the decisions back here about multiple use or about public lands, take into consideration the long-term impacts of what your decision is going to create. How will it alter the lifestyle of the people of the West? Every decision we make back here that deals in any slight way with public lands will impact, will impact on a long-term basis the lifestyle of the people of the West.

I am confident that the people of the West can manage these lands as they have for centuries, as they have with modern techniques of management and as they can in the future with abilities to take care of that land. We can do it with balance. There is nothing wrong with a well-managed ski area high in the Colorado Rocky Mountains, a ski area that mitigates the environmental impacts that it may create.

If you take a look at the actual footprint or the area impacted by a ski area, I think you will find that under the right kind of guidance, under the right kind of environmental regulations, which all of us support, you can have a protected environment. You can have a thriving ski community. And you can have people who have the opportunity to live in that ski area because they have jobs as a result of that skiing opportunity, and finally many people across the country can enjoy skiing in the Rocky Mountains as a result of that ski area.

You can do it in balance. It is the same thing with water storage projects. We have some groups back here in the East that will never find a water storage project that they can support. Not because the project does not make sense. You can have water projects out there that make sense. But these groups will try and convince many other people who live outside the West that these water storage projects for some reason devalue our public lands and the public lands for the future of this country.

It is about time that some of those groups be brought to their senses, that some of those groups finally put into their vocabulary a word that very few of them have ever really thought about, and that is called balance.

□ 2145

At the same time we must serve notice to all people who enter the mountains and all people who come into the West, if you have come out there to take an unfair advantage of the land, just the same as coming out there to take unfair advantage of the people of the West, it is not acceptable. We are trying our hardest out there to adapt policies that will indicate a zero tolerance level for the kind of ignorance that propels people to come out and destruct that, destroy that land, or to ignore the environmental regulations that are so important to preserve our public lands. But we can do it in balance. I think that we should treat with a discount these groups clear over here on the left that demand that the land of many uses sign be replaced with a no trespassing sign, and I think we can discount the people over here who decide that that land should be developed at whatever the cost and the development should be the No. 1 priority of the public lands. Both of those groups are on the fringe. Both of those groups represent, in my opinion, a very minority of minority views on what the utilization of public lands should be for the best interests of the United States of America. Instead what we should do is strive to have our oversight and our regulation and our utilization of public lands carved out of the middle, the middle that is represented by the word called balance, the middle that believes in multiple use of Federal lands, the middle that thinks that you have to have reasonable environmental regulations to guide the utilization of these Federal lands, the middle that believes that development or extraction of minerals or utilization of the land for grazing has to be done in consideration of the preservation of that land, but also the middle that understands that there are things called jobs that people; for example, the ranching families that have been out there, some of them for well over 100 years on the same ranch, that these people have a right to utilize that land, that these people are good guardians of that land, that in order for people to keep their jobs out there in the West they have got to have highways, they have got to have transportation, they are entitled to communication, that carefully regulated it is OK to put a power line into a community up there in the mountains so they can have cable TV or they can have electricity or they can have telephones. It is OK to have a highway, an interstate for example, through Glenwood Canyon, which has as its top priorities safety through the preservation of the environment. We can do it.

The Glenwood Canyon, by the way, I think, is one of the outstanding examples in this country of how you can go into some very pristine country, some very important environmentally beautiful country, and preserve that while still keeping in mind the consideration of the safety of the people that visit the West, that travel through the West or that live in the West.

I know that my remarks have focused on that word called multiple use, and I know that my remarks have focused on that word called balance. It is because we think those people in the West, those of us who represent the people of the West, we are very proud of our heritage, we are proud of the heritage of the United States of America. But we think that the entire country needs to understand that our heritage is built in part not just on strong people, not just on our good friends and the first Americans out there, the Native Americans, but also built on the ability to utilize public lands in a reasonable and well-thought-out manner. I cannot tell you how disappointing and discouraging it has been to see that sign that says ''Welcome to the White River National Forest'' and then underneath it the sign that says ''A land of many uses.'' How discouraging it is to go by and see the sign that now just says ''Welcome to the White River National Forest.'' Where is the sign that said ''A land of many uses?'' That is the historical use of that land, that is the protected use of that land, that is the use that everyone in this country and every group in this country that really cares about the West and the preservation of the West, that is the term that they will take the time to educate themselves on. It is absolutely crucial. If you want to address the issues in the Rocky Mountains, if you want to address the issues of public lands, and I would say not just the Rocky Mountains. This obviously expands up to Alaska and expands to the other areas of the country in which large tracts of public lands exist. If

you want to voice your opinions on that, look and study the history of the West, and what built it and, again, what the politics were, and finally what the people today do for that. You know we are really very fortunate, we think, to live in the Rocky Mountains, and many of you know what it is like. You have been out there, you skied, you have come out there to see the beauty we have got. Maybe you have gone out to see some of the wildlife, the mountain goats or the Rocky Mountain elk, or the mountain lions, or gone out there, and now a big fad is fishing, or you have been on our rivers to raft.

You too can continue to enjoy the beauty of what you like about those public lands in the future, but do not shut us out of it, do not let some of these groups convince you that that land out there is being wasted. Do not let some of these groups convince you that the only way to enjoy water in Colorado is to make sure that it runs out of the State, that the only way to protect water coming off those mountains is not to store it, not to allow it to be taken out of the rivers so that the communities and the towns and the people can thrive and the crops can thrive on the use of that water.

Instead, what you should do is encourage these groups to come in and work with us as partners. We are a partnership. This great Nation of ours depends upon team players, and that is what the middle of America is about, it is a team player. Our team in the middle is much stronger than either team on the fringes. But those teams on the fringes; for example, those groups that want development at any cost or those groups that do not want any development regardless of the merits of the development, sometimes those groups have more ability than the groups in the middle to pass on their message, to make the American people believe that they really are the experts or to make the American people believe that they represent the majority of the American people or to make the American people believe that they represent the best interests of the American people. Instead, next time you hear from some of these groups, put them aside, just discount what they have said until you have the opportunity to talk with somebody in the middle.

Now, I know that many of you may not have had the opportunity to visit the great Rocky Mountains or the great State of Alaska. If you have that opportunity, come out. We have a lot to offer. We do have a good lifestyle out there. We do have clean air, and you can bet your bottom dollar we want to protect that clean air. We do have crystal clear water in our streams, and you can bet your bottom dollar we want to protect that. We have some of the best fishing in the world. We have some of the best hiking trails in the world. Just in my district alone we probably have 54 mountain peaks over 14,000 feet. We have got mountain climbing. We want to preserve that.

But we also have jobs. That is how those of us who still manage to stay out there, that is why we are able to stay there, because we know how to make a living out there. And our ability to make a living really determines whether or not we can let our next generation, my kids and my kids' kids, and whether my wife's family can continue to operate in the ranching business. If we manage those lands well, we can guarantee that the next few generations will have the same kind of opportunities we did. We are good guardians, and we can be better guardians, we want to be better guardians, but do not shut us out, do not go to the people of the West and say, all right, let us start with grazing fees, for example.

You know a lot of the people or some of the groups, let me put it that way, or some of the people, I will put it that way, that are proposing a hike in the grazing fees in this country. They are not out to make sure the Government gets a better deal. That is just a mask, that is just the surface of what they are trying to portray. What they really want to do is eliminate grazing from Federal lands. What they really want to do is go after multiple use. It is a disguised attack on multiple use.

I think as a U.S. Congressman that the Government should get a fair deal on grazing fees, for example. If the grazing fees, if the cattle market, is good, then the grazing fees should be higher. If the cattle market goes to pot, as it has done this year, any of you in that business know how terrible it has been, then the fees ought to drop so that we can sustain the lifestyle of those kind of ranching, and so on, on those public lands. But do not be taken by the people that say, well, there is great, great abuse going on out there and these ranchers and farmers are just wealthy farmers who take advantage of the Federal Government.

A lot of those groups do not have, as I mentioned earlier, do not have in mind the idea that we have to improve the deal that the Government is getting. Instead, what those groups have as their sole intent is to shut the door on the people of the West, to move the people of the West out of the West and to hang up no trespassing signs.

That is why the people of the West, that is why when President Clinton first became the President and they had talked about the grazing fees and the Secretary of the Interior, Mr. Babbitt, came out, that is why people in the West were so defensive. It is one thing to come in here with reasonable negotiations for a reasonable grazing fee. It is quite another thing to come into the West under the guise of saying you want reasonable grazing fees and trying to drive people off the land.

To show you how intense the battle has become in the West I am not sure that during my lifetime you will ever see another ski area, a new ski area built in the Rocky Mountains. Now maybe the demand is not out there for it. But if the demand were there, should you automatically eliminate the possibility of a new ski area somewhere in the Rocky Mountains or should you rather approach the question by saying does it make sense, does it make sense environmentally, does it make sense for the community, does it make economic sense because the last thing you want is a company that gets into development of an area like that and halfway through the project has to give it up or file into bankruptcy because they have run out of capital.

Those are the kind of questions that should be asked. We know in Colorado for example that it is crucial, it is absolutely crucial, as I said in my earlier remarks, that we have the capability of storing water, storing water for future use. I am not sure once the Animas LaPlata project is built, and I hope that it is built, I am not sure that during the rest of my lifetime that we are going to see another water storage project in Colorado.

Now we ought to ask the same questions. First, is there a need for additional storage; second, are we using the current storage to our maximum benefit? Maybe we need to clean out some of the current water storage projects we have so they can hold more water. Third, does it make economic sense? Fourth, if we were to build a new project, can we protect the environment like we need to? Can we mitigate the environment in such a way that could actually enhance the environment? You know, it used to be a statistic; now it is 3 or 4 years old. But it used to be that all the good stream fishing in Colorado was below a water storage project. We have brought water, we have brought green, to a lot of the area in Colorado because of our utilization of water.

Well, let me conclude my remarks by saying this. I know that with a budget, a big issue back here, and I know in the past few days the tragedy in Cuba has taken a lot of time on this floor so we can depend and kind of direct where this country should go, but I felt that it was appropriate tonight, especially having just come back from Colorado, I felt it was appropriate to take a few minutes to talk to you about the importance of multiple use for our fine State.

I am doggone proud of being from Colorado. I feel good about the West. I feel good about the way we have taken care of the West. I feel good about some of the improvements that are being made in the way we take care of the West. And I also feel very strong and very committed to oppose those people who want to shut the door on the West, to oppose those people who want to take that sign, ''A land of many uses,'' and replace it with a sign of ''No trespassing.''

□ 2200

That is why I am here tonight. I appreciate all of you listening. I appreciate your consideration. But every

time you pick up a bill, or every time you pick up a letter from, say, the Sierra Club or someone else, that talks about public lands, take a look at what we have talked about this evening: The historical use of those lands, the environmental mitigation on those lands, the need of the people of those lands, and the life culture and the lifestyles of the West.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2854, THE AGRICULTURAL MARKET TRANSITION PROGRAM

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–463) on the resolution (H. Res. 366) providing for consideration of the bill (H.R. 2854) to modify the operation of certain agricultural programs, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STOKES (at the request of Mr. GEPHARDT), for today through Friday, on account of illness.

Ms. MCKINNEY (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of medical reasons.

Ms. FURSE (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KENNEDY of Massachusetts) to revise and extend their remarks and include extraneous material:)

Ms. PELOSI, for 5 minutes, today.

Mr. DEUTSCH, for 5 minutes, today.

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes each day, on today and February 28 and 29 and March 1.

Ms. ROS-LEHTINEN, for 5 minutes each day, on today and February 28 and 29.

Mr. ROTH, for 5 minutes, today

Mr. STEARNS, for 5 minutes, today

Mr. GOSS, for 5 minutes, today

Mr. RIGGS, for 5 minutes each day, on today and February 28.

Mr. SMITH of Michigan, for 5 minutes each day, on today and February 28.

Mr. DIAZ-BALART, for 5 minutes, today.

Mr. CHRISTENSEN, for 5 minutes, on February 28.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. PETE GEREN of Texas, for 5 minutes, today.

(The following Member (at her own request) and to include extraneous matter:)

Mrs. MEEK of Florida, for 5 minutes, today.

(The following Member (at the request of Mr. HASTINGS of Florida) to revise and extend their remarks and include extraneous material:)

Ms. PELOSI, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KENNEDY of Massachusetts) and to include extraneous material:)

Mr. FARR.
Mr. STOKES.
Mr. TORRES.
Mr. LANTOS.
Mr. PICKETT.
Mr. BORSKI.
Mr. FOGLIETTA.
Mr. MONTGOMERY in two instances.
Mr. REED.
Mr. UNDERWOOD.
Mr. ORTIZ in two instances.
Mr. BARRETT of Wisconsin.
Mr. KENNEDY of Massachusetts.
Mr. MORAN.

(The following Members (at the request of Mr. BEREUTER of Nebraska) and to include extraneous material:)

Mrs. MORELLA.
Ms. ROS-LEHTINEN.
Mr. BOEHNER.
Mrs. KELLY.
Mr. SMITH of Michigan.
Mr. COX of California.
Mr. RADANOVICH.
Mr. BAKER of California.
Mr. EHLERS.

(The following Members (at the request of Mr. HASTINGS of Florida) and to include extraneous matter:)

Mr. ROBERTS.
Ms. DELAURO in two instances.
Mr. FRANK of Massachusetts.
Mr. HASTINGS of Florida.
Ms. ESHOO in two instances.
Mr. NADLER.

(The following Members (at the request of Mr. MCINNIS) and to include extraneous matter:)

Mr. FROST.
Ms. FURSE.
Mr. LIPINSKI in 14 instances
Mr. BROWN.
Mr. GANSKE.
Mr. MARKEY.
Mr. LANTOS in two instances.
Mr. WYNN.
Mr. DAVIS.
Ms. LOFGREN.

ADJOURNMENT

Mr. GOSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 1 minute p.m.), the House adjourned until tomorrow, Wednesday, February 28, 1996, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of February 23, 1996]

2109. A communication from the President of the United States, transmitting a report of three proposed rescissions of budget authority, totaling $820 million, pursuant to 2 U.S.C. 683(a)(1); to the Committee on Appropriations.

2110. A communication from the President of the United States, transmitting his request to make available appropriations totaling $140 million in budgetary authority for support of the Middle East peace process, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104–178); to the Committee on Appropriations and ordered to be printed.

2111. A communication from the President of the United States, transmitting his request to make available appropriations totaling $620 million in budgetary authority for DOD operations associated with the NATO-led Bosnia Peace Implementation Force [IFOR] and Operation Deny Flight, and $200 million for civilian implementation of the Dayton Peace Accord and to designate the amounts made available as an emergency requirement pursuant to section 251(b)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, pursuant to 31 U.S.C. 1107; to the Committee on Appropriations and ordered to be printed.

[Submitted February 27, 1996]

2112. A letter from the Under Secretary of Defense (Personnel and Readiness), transmitting notification that the Department's defense manpower requirements report for fiscal year 1997, will be submitted by April 30, 1996; to the Committee on National Security.

2113. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's reports entitled ''1996 Salary Rates'' for its employees in grade 1–15 and ''Executive Level Salary Ranges'' for it executive level employees, pursuant to section 1206 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [FIRREA]; to the Committee on Banking and Financial Services.

2114. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2000 resulting from passage of H.R. 2353 and H.R. 2657, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on the Budget.

2115. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2000 resulting from passage of S. 652, H.R. 2029, and S. 1124, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on the Budget.

2116. A letter from the Secretary of Health and Human Services, transmitting the Department's third annual report to Congress on the implementation of the authority and use of fees collected under the Prescription Drug User Fee Act of 1992 [PDUFA] during

the fiscal year 1995, pursuant to 21 U.S.C. 379g note; to the Committee on Commerce.

2117. A letter from the Inspector general, Department of Health and Human Services, transmitting a report on Superfund financial activities at the National Institute of Environmental Health Services and the Agency for Toxic Substances and Disease Registry for fiscal year 1994, pursuant to 31 U.S.C. 7501 note; to the Committee on Commerce.

2118. A letter from the Secretary of Energy, transmitting the 32d quarterly report to Congress on the status of Exxon and stripper well oil overcharge funds as of September 30, 1995; to the Committee on Commerce.

2119. Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

2120. Secretary of Transportation, transmitting the semiannual report of the inspector general for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

2121. Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–213, ''Closing of a Public Alley in Square N–699, S.O. 93–84, Act of 1996,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2122. Auditor, District of Columbia, transmitting a copy of a report entitled ''Audit of the Boxing and Wrestling Commission for Fiscal Year 1994,'' pursuant to D.C. Code, section 47–117(d); to the Committee on Government Reform and Oversight.

2123. Auditor, District of Columbia, transmitting a copy of a report entitled ''Review of the Boxing Event of October 15, 1995 Regulated by the District of Columbia Boxing and Wrestling Commission,'' pursuant to D.C. Code, section 47–117(d); to the Committee on Government Reform and Oversight.

2124. A letter from the Administrator, Agency for International Development, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2125. A letter from the Principal Deputy Assistant for Public Affairs, Department of Defense, transmitting a report of activities under the Freedom of Information Act for calendar year 1995, pursuant to U.S.C. 552(d); to the Committee on Government Reform and Oversight.

2126. A letter from the Director, Office of Administration, Executive Office of the President, transmitting a report of activities under the Freedom of Information Act for calendar year 1995, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

2127. A letter from the Secretary, Federal Trade Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1995, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

2128. A letter from the General Counsel and Corporate Secretary, Legal Services Corporation, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2129. A letter from the vice president for Government and Public Affairs, National Railroad Passenger Corporation, transmitting the Corporation's 1995 annual report, and 1996 legislative report and grant request, pursuant to 49 U.S.C. 24315; to the Committee on Transportation and infrastructure.

2130. A letter from the Secretary of Transportation, transmitting the Department's report entitled ''Tanker Navigation Safety Standards, 20 Year Tanker Size/Capacity Trend Analysis,'' pursuant to Public Law 101–380, section 4111(b)(11) (104 Stat. 516); to the Committee on Transportation and Infrastructure.

2131. A letter from the Assistant Secretary for Technology Policy, Department of Commerce, transmitting the biennial report on Federal agency use of the technology transfer authorities, in compliance with the section 3710(g)(2) of title 15, United States Code; to the Committee on Science.

2132. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to exempt full-time registered nurses, physician assistants, and expanded-function dental auxiliaries from restrictions on remunerated outside professional activities; to the Committee on Veterans' Affairs.

2133. A letter from the Director, Administration and Management, Department of Defense, transmitting certification that the total cost for the planning, design, construction, and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,218,000,000, pursuant to section 8095 of Public Law 104–61; jointly, to the Committees on Appropriations and National Security.

2134. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of obligation of funds for Nonproliferation and Disarmament Fund [NDF] activities in Bosnia, pursuant to Public Law 104–99, section 301 (110 Stat. 38); jointly, to the Committees on Appropriations and International Relations.

2135. A letter from the Comptroller of the Currency, transmitting the annual report of consumer complaints filed against national banks for 1995; jointly, to the Committees on Banking and Financial Services and Commerce.

2136. A letter from the Secretary of Transportation, transmitting the Department's report to Congress on the benefits of safety belts and motorcycle helmets, pursuant to Public Law 102–240, section 1031(b)(2) (105 Stat. 1073); jointly, to the Committees on Commerce and Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SOLOMON: Committee on Rules. House Resolution 366. Resolution providing for consideration of the bill (H.R. 2854) to modify the operation of certain agricultural programs (Rept. 104–463). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLILEY (for himself, Mr. ARCHER, Mr. ROGERS, Mr. FIELDS of Texas, Mr. DINGELL, Mr. MARKEY, Mr. OXLEY, and Mr. TAUZIN):

H.R. 2972. A bill to authorize appropriations for the Securities and Exchange Commission, to reduce the fees collected under the Federal securities laws, and for other purposes; to the Committee on Commerce.

By Mr. ROBERTS (for himself, Mr. EMERSON, Mr. GUNDERSON, Mr. ALLARD, Mr. BARRETT of Nebraska, Mr. EWING, and Mr. SMITH of Michigan):

H.R. 2973. A bill to reform and extend Department of Agriculture programs related to agricultural credit, rural development, conservation, trade, research, and promotion of agricultural commodities; to the Committee on Agriculture, and in addition to the Committees on Ways and Means, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CHRYSLER:

H.R. 2974. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims; to the Committee on the Judiciary.

By Mr. FRANK of Massachusetts (for himself, Mr. YATES, and Ms. PELOSI):

H.R. 2975. A bill to amend the Immigration and Nationality Act to establish a Board of Visa Appeals within the Department of State to review decisions of consular officers concerning visa applications, revocations, and cancellations; to the Committee on the Judiciary.

By Mr. GANSKE (for himself, Mr. MARKEY, Mr. BARR, Mr. BOUCHER, Mr. COBURN, Mr. DURBIN, Mr. GENE GREEN of Texas, Mr. JOHNSTON of Florida, Mr. KENNEDY of Massachusetts, Mr. KLECZKA, Ms. LOFGREN, Mr. MCDERMOTT, Mrs. MEEK of Florida, Mr. MORAN, Mr. NADLER, Mr. SANDERS, Mr. SERRANO, Mrs. SMITH of Washington, Mr. STARK, Mr. STUDDS, Mr. TRAFICANT, Mr. WAXMAN, Mr. WHITFIELD, and Mr. WISE):

H.R. 2976. A bill to prohibit health plans from interfering with health care provider communications with their patients; to the Committee on Commerce, and in addition to the Committees on Ways and Means, Economic and Educational Opportunities, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GEKAS (for himself and Mr. REED):

H.R. 2977. A bill to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes; to the Committee on the Judiciary.

By Mr. MORAN:

H.R. 2978. A bill to amend chapters 83 and 84 of title 5, United States Code, to provide for measures to preserve the value of deferred annuities over the period of the time between separation from Government service and when payments commence, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. LANTOS (for himself and Mr. KING):

H. Res. 365. Resolution condemning the visit of Louis Farrakhan to Libya, Iran, and Iraq as well as certain statements he made during those visits, and urging the President to take appropriate action to determine if such visits, statements, and actions resulting from agreements or understandings reached during these visits violate Federal law; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

202. The SPEAKER presented a memorial of the Senate of the State of Washington,

relative to the Honorable Barbara Charline Jordan; to the Committee on Government Reform and Oversight.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 26: Mr. CAMP.
H.R. 263: Mr. NADLER.
H.R. 345: Mr. JACOBS.
H.R. 449: Mr. FROST and Mr. FRAZER.
H.R. 488: Mr. FRAZER.
H.R. 497: Mr. BARRETT of Nebraska and Mr. QUINN.
H.R. 528: Mr. STUMP, Mrs. MORELLA, Mr. SMITH of New Jersey, and Mr. KLUG..
H.R. 550: Mr. CUNNINGHAM.
H.R. 573: Mr. DELLUMS, Mr. FILNER, and Ms. LOFGREN.
H.R. 580: Mr. LIVINGSTON, Mr. HUNTER, Mr. RAMSTAD, Ms. NORTON, Mr. SAWYER, and Mr. COSTELLO.
H.R. 619: Mr. MARTINEZ and Mr. MCDERMOTT.
H.R. 620: Mr. MARTINEZ, Mr. MCDERMOTT, Mr. LAFALCE, Mr. MOAKLEY, Mr. OLVER, Ms. LOFGREN, Ms. NORTON, and Mr. WAXMAN.
H.R. 771: Mr. DELLUMS.
H.R. 784: Mr. COBURN, Mr. EHRLICH, and Mr. FUNDERBURK.
H.R. 852: Mr. MOAKLEY.
H.R. 858: Mr. BAKER of Louisiana, Mr. HALL of Ohio, Mr. HERGER, Mr. MOAKLEY, and Mr. TEJEDA.
H.R. 911: Mr. SHAW, Mr. JOHNSON of South Dakota, Mr. GOODLING, Mr. BATEMAN, Mr. LUTHER, Mr. PETERSON of Florida, and Mr. SKAGGS.
H.R. 972: Mr. BONILLA and Mr. JEFFERSON.
H.R. 1000: Mr. HASTINGS of Florida, Mr. PALLONE, and Mr. FLAKE.
H.R. 1023: Mr. SISISKY, Mr. LAZIO of New York, and Mr. HOEKSTRA.
H.R. 1073: Mr. DAVIS and Mr. SKEEN.
H.R. 1074: Mr. DAVIS and Mr. SKEEN.
H.R. 1386: Mr. HASTINGS of Washington and Mrs. SMITH of Washington.
H.R. 1527: Mrs. WALDHOLTZ.
H.R. 1560: Mr. WILSON and Ms. NORTON.
H.R. 1591: Mr. BERMAN.
H.R. 1610: Mr. WICKER, Mr. REED, Mr. DELLUMS, and Mr. DOYLE.
H.R. 1656: Mr. MANTON, Mr. DURBIN, Ms. WATERS, and Mr. TOWNS.
H.R. 1684: Mr. SMITH of New Jersey, Mr. SPENCE, Mr. KLUG, Ms. MOLINARI, Mr. BEREUTER, Mr. CRAMER, Mr. BASS, Mr. REED, Mr. DUNCAN, Mr. SERRANO, Mr. KLECZKA, Mr. DICKEY, Mr. ROHRABACHER, Mr. ARCHER, Mr. LAHOOD, Mr. SAXTON, and Mr. MCDADE.
H.R. 1688: Mr. COYNE and Mr. JOHNSON of South Dakota.
H.R. 1733: Mr. HEINEMAN, Mr. LAHOOD, Mr. SHADEGG, and Mr. SOLOMON.
H.R. 1767: Mr. BACHUS.
H.R. 1776, Mr. EMERSON, Mr. BREWSTER, Mr. CALVERT, Mr. CRAMER, Mr. SMITH of New Jersey, Mrs. LOWEY, Mr. FORD, Mr. KILDEE, Mr. DURBIN, and Mr. HALL of Ohio.
H.R. 1801, Mr. MEEHAN, Mr. FRANKS of New Jersey, and Mr. HOEKSTRA.
H.R. 1802, Mr. LAFALCE.
H.R. 1889, Mr. HINCHEY.
H.R. 1989, Mr. MINGE.
H.R. 2008, Mr. KENNEDY of Massachusetts and Mr. NEUMANN.
H.R. 2011, Mr. GONZALEZ, Mr. FRAZER, Mr. TORRES, Mr. MILLER of California, Mr. THOMPSON, Mr. MARKEY, and Mr. ENGLISH of Pennsylvania.
H.R. 2016, Mrs. KELLY.
H.R. 2193, Mr. HAYWORTH.
H.R. 2240, Mr. HINCHEY, Mr. MCDERMOTT, Mr. BILBRAY, Mr. ABERCROMBIE, Mr. GORDON, Ms. NORTON, and Mr. COSTELLO.
H.R. 2276, Mr. ACKERMAN and Mr. CALVERT.
H.R. 2285, Mr. MEEHAN, Mr. CALVERT, Mr. THOMPSON, Mr. CUNNINGHAM, and Mr. ACKERMAN.
H.R. 2306, Mr. SKELTON and Ms. LOFGREN.
H.R. 2350, Mr. MORAN.
H.R. 2416, Mr. MARTINI, Mr. MATSUI, Mr. MEEHAN, and Mr. WAXMAN.
H.R. 2441, Mr. LUTHER and Mr. JACOBS.
H.R. 2531, Mr. THORNBERRY.
H.R. 2566, Mr. YATES, Mr. METCALF, Mr. CAMPBELL, Mr. HINCHEY, and Mr. BROWDER.
H.R. 2585: Mr. HANSEN, Mr. STARK, Mr. LEWIS of Georgia, Mr. FOGLIETTA, Mr. MCDERMOTT, Mr. STUDDS, Mr. OBERSTAR, Ms. PELOSI, Mr. YATES, Mr. ORTON, and Ms. LOFGREN.
H.R. 2618: Mr. GUNDERSON and Mr. KENNEDY of Massachusetts.
H.R. 2646: Mr. ENGLISH of Pennsylvania.
H.R. 2654: Mr. NADLER, Mr. GORDON, Mr. STARK, Mr. BENTSEN, and Mrs. MALONEY.
H.R. 2664: Mr. MARTINI, Mr. COSTELLO, Mr. KILDEE, Mr. HOEKSTRA, and Mr. GANSKE.
H.R. 2682: Mrs. MALONEY, Mrs. LOWEY, and Ms. SLAUGHTER.
H.R. 2724: Mr. RUSH, Mr. FRAZER, Mr. DEFAZIO, Ms. MCKINNEY, Mr. WATT of North Carolina, Ms. KAPTUR, Mr. KENNEDY of Massachusetts, Mr. GENE GREEN of Texas, Ms. LOFGREN, Mr. FROST, Mr. FATTAH, Mr. TORRES, Ms. NORTON, and Mr. WAXMAN.
H.R. 2725: Mr. RUSH, Mr. FRAZER, Mr. DEFAZIO, Ms. MCKINNEY, Mr. WATT of North Carolina, Ms. KAPTUR, Mr. KENNEDY of Massachusetts, Mr. GENE GREEN of Texas, Ms. LOFGREN, Mr. FROST, Mr. FATTAH, Mr. TORRES, Ms. NORTON, and Mr. WAXMAN.
H.R. 2745: Ms. HARMAN, Mr. KENNEDY of Rhode Island, Mr. QUINN, Mr. COYNE, Mr. CAMPBELL, Mr. VISCLOSKY, Mr. FROST, and Mr. KILDEE.
H.R. 2757: Mr. BARTLETT of Maryland, Mr. SENSENBRENNER, Mr. DAVIS, Mr. BENTSEN, Mr. SOLOMON, Mr. BALDACCI, Mr. FUNDERBURK, and Mr. CALLAHAN.
H.R. 2777: Ms. SLAUGHTER, Mr. WAXMAN, Mr. LEWIS of Georgia, Mr. PAYNE of New Jersey, Mr. FOGLIETTA, Ms. PELOSI, Mr. MARTINEZ, Mr. NADLER, and Mrs. THURMAN.
H.R. 2779: Mr. BACHUS, Mr. BARTON of Texas, Mr. BURTON of Indiana, Mr. CREMEANS, Mr. JACOBS, Mr. SCHAEFER, and Mr. BUNNING of Kentucky.
H.R. 2782: Mr. MOAKLEY.
H.R. 2785: Mr. MATSUI and Ms. WOOLSEY.
H.R. 2796: Mr. MORAN, Mr. YATES, Mr. JACOBS, and Mr. HUTCHINSON.
H.R. 2856: Mr. SABO, Ms. SLAUGHTER, Mr. ACKERMAN, Mr. MARTINEZ, Mr. FRELINGHUYSEN, Mr. GORDON, and Mr. OBERSTAR.
H.R. 2912: Mr. MANTON.
H.R. 2914: Mr. LAFALCE.
H.R. 2916: Mr. STUDDS, Mr. MILLER of California, and Mr. GEJDENSON.
H.R. 2925: Mr. DAVIS, Mr. NORWOOD, Mr. ENSIGN, Mrs. WALDHOLTZ, Mr. HOEKSTRA, Mr. MORAN, Mr. PETRI, Mr. TALENT, Mr. LINDER, Mr. HUTCHINSON, Mr. MOORHEAD, Mrs. SMITH of Washington, Mr. EHLERS, and Mr. COOLEY.
H.R. 2935: Mr. HASTINGS of Washington.
H.R. 2959: Mr. HOYER, Mr. KLECZKA, Mr. STOKES, Mr. HALL of Ohio, Mr. SCHUMER, Ms. WOOLSEY, Ms. ESHOO, Mr. PASTOR, Mr. FLAKE, Ms. MCKINNEY, and Mr. VENTO.
H. Con. Res. 47: Mr. DAVIS and Mr. KLECZKA.
H. Con. Res. 51: Mr. MOAKLEY, Mr. BROWN of Ohio, Mr. KLECZKA, Mr. UPTON, Mr. FAWELL, and Mr. OLVER.
H. Con. Res. 79: Mrs. LOWEY.
H. Con. Res. 125: Mr. ANDREWS.
H. Con. Res. 144: Mr. BRYANT of Texas, Mr. CONYERS, Mr. DELLUMS, Mr. DOYLE, Mr. GORDON, Mr. HALL of Ohio, Mr. HAMILTON, Ms. KAPTUR, Mr. KLECZKA, Mr. LAFALCE, Mr. LEACH, Mrs. LOWEY, Mr. MCHALE, Mr. PALLONE, Mr. QUINN, and Mr. YATES.
H. Res. 358: Mr. CRAMER, Mrs. CLAYTON, Mr. YATES, Ms. KAPTUR, Mr. POSHARD, and Mr. DOYLE.
H. Res. 360: Mr. JACOBS, Mr. FILNER, Mr. YATES, Ms. MCKINNEY, Mr. MILLER of California, Mr. THOMPSON, Mr. JACKSON, Ms. NORTON, Mr. FROST, Mr. NADLER, and Mr. WAXMAN.
H. Res. 361: Mr. DUNCAN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

62. The SPEAKER presented a petition of the Council of the District of Columbia, relative to Council Resolution 11–207, ''Transfer of Jurisdiction over a Portion of Independence Avenue, S.W., S.O. 85–96 Resolution of 1996''; which was referred to the Committee on Government Reform and Oversight.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submittd as follows:

H.R. 2854

OFFERED BY: MR. DE LA GARZA

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 2: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Agricultural Reform and Improvement Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

Sec. 101. Short title.
Sec. 102. Definitions.
Sec. 103. Production flexibility contracts.
Sec. 104. Nonrecourse marketing assistance loans and loan deficiency payments.
Sec. 105. Payment limitations.
Sec. 106. Peanut program.
Sec. 107. Sugar program.
Sec. 108. Administration.
Sec. 109. Suspension and repeal of permanent authorities.
Sec. 110. Effect of amendments.

TITLE II—AGRICULTURAL TRADE

Subtitle A—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

Sec. 201. Food aid to developing countries.
Sec. 202. Trade and development assistance.
Sec. 203. Agreements regarding eligible countries and private entities.
Sec. 204. Terms and conditions of sales.
Sec. 205. Use of local currency payment.
Sec. 206. Value-added foods.
Sec. 207. Eligible organizations.
Sec. 208. Generation and use of foreign currencies.
Sec. 209. General levels of assistance under Public Law 480.
Sec. 210. Food aid consultative group.
Sec. 211. Support of nongovernmental organizations.
Sec. 212. Commodity determinations.
Sec. 213. General provisions.
Sec. 214. Agreements.
Sec. 215. Use of commodity credit corporation.
Sec. 216. Administrative provisions.
Sec. 217. Expiration date.
Sec. 218. Regulations.
Sec. 219. Independent evaluation of programs.
Sec. 220. Authorization of appropriations.

Sec. 221. Coordination of foreign assistance programs.
Sec. 222. Micronutrient fortification pilot program.
Sec. 223. Use of certain local currency.
Sec. 224. Levels of assistance under farmer-to-farmer program.
Sec. 225. Food security commodity reserve.
Sec. 226. Protein byproducts derived from alcohol fuel production.
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TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

SEC. 101. SHORT TITLE.

This title may be cited as the ''Agricultural Market Transition Act''.

SEC. 102. DEFINITIONS.

In this title:

(1) CONSIDERED PLANTED.—The term ''considered planted'' means acreage that is considered planted under title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) (as in effect prior to the suspension under section 110(b)(1)(J)).

(2) CONTRACT.—The term ''contract'' means a production flexibility contract entered into under section 103.

(3) CONTRACT ACREAGE.—The term ''contract acreage'' means 1 or more crop acreage bases established for contract commodities under title V of the Agricultural Act of 1949 (as in effect prior to the suspension under section 110(b)(1)(J)) that would have been in effect for the 1996 crop (but for the suspension under section 110(b)(1)(J)).

(4) CONTRACT COMMODITY.—The term ''contract commodity'' means wheat, corn, grain sorghum, barley, oats, upland cotton, and rice.

(5) CONTRACT PAYMENT.—The term ''contract payment'' means a payment made under section 103 pursuant to a contract.

(6) CORN.—The term ''corn'' means field corn.

(7) DEPARTMENT.—The term ''Department'' means the United States Department of Agriculture.

(8) FARM PROGRAM PAYMENT YIELD.—The term ''farm program payment yield'' means the farm program payment yield established for the 1995 crop of a contract commodity under title V of the Agricultural Act of 1949 (as in effect prior to the suspension under section 110(b)(1)(J)).

(9) LOAN COMMODITY.—The term ''loan commodity'' means each contract commodity, extra long staple cotton, and oilseeds.

(10) OILSEED.—The term ''oilseed'' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

(11) PERSON.—The term ''person'' means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or State agency.

(12) PRODUCER.—

(A) IN GENERAL.—The term ''producer'' means a person who, as owner, landlord, tenant, or sharecropper, shares in the risk of producing a crop, and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(B) HYBRID SEED.—The term ''producer'' includes a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.

(13) PROGRAM.—The term ''program'' means the agricultural market transition program established under this title.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(15) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(16) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

SEC. 103. PRODUCTION FLEXIBILITY CONTRACTS.

(a) CONTRACTS AUTHORIZED.—

(1) OFFER AND TERMS.—Beginning as soon as practicable after the date of the enactment of this title, the Secretary shall offer to enter into a contract with an eligible owner or operator described in paragraph (2) on a farm containing eligible farmland. Under the terms of a contract, the owner or operator shall agree, in exchange for annual contract payments, to comply with—

(A) the conservation plan for the farm prepared in accordance with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(B) wetland protection requirements applicable to the farm under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.); and

(C) the planting flexibility requirements of subsection (j).

(2) ELIGIBLE OWNERS AND OPERATORS DESCRIBED.—The following persons shall be considered to be an owner or operator eligible to enter into a contract:

(A) An owner of eligible farmland who assumes all of the risk of producing a crop.

(B) An owner of eligible farmland who shares in the risk of producing a crop.

(C) An operator of eligible farmland with a share-rent lease of the eligible farmland, regardless of the length of the lease, if the owner enters into the same contract.

(D) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring on or after September 30, 2002, in which case the consent of the owner is not required.

(E) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring before September 30, 2002, if the owner consents to the contract.

(F) An owner of eligible farmland who cash rents the eligible farmland and the lease term expires before September 30, 2002, but only if the actual operator of the farm declines to enter into a contract. In the case of an owner covered by this subparagraph, contract payments shall not begin under a contract until the fiscal year following the fiscal year in which the lease held by the nonparticipating operator expires.

(G) An owner or operator described in a preceding subparagraph regardless of whether the owner or operator purchased catastrophic risk protection for a fall-planted 1996 crop under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)).

(3) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

(b) ELEMENTS.—

(1) TIME FOR CONTRACTING.—

(A) DEADLINE.—Except as provided in subparagraph (B), the Secretary may not enter into a contract after April 15, 1996.

(B) CONSERVATION RESERVE LANDS.—

(i) IN GENERAL.—At the beginning of each fiscal year, the Secretary shall allow an eligible owner or operator on a farm covered by a conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) that terminates after the date specified in subparagraph (A) to enter into or expand a production flexibility contract to cover the contract acreage of the farm that was subject to the former conservation reserve contract.

(ii) AMOUNT.—Contract payments made for contract acreage under this subparagraph

shall be made at the rate and amount applicable to the annual contract payment level for the applicable crop.

(2) DURATION OF CONTRACT.—

(A) BEGINNING DATE.—A contract shall begin with—

(i) the 1996 crop of a contract commodity; or

(ii) in the case of acreage that was subject to a conservation reserve contract described in paragraph (1)(B), the date the production flexibility contract was entered into or expanded to cover the acreage.

(B) ENDING DATE.—A contract shall extend through the 2002 crop.

(3) ESTIMATION OF CONTRACT PAYMENTS.—At the time the Secretary enters into a contract, the Secretary shall provide an estimate of the minimum contract payments anticipated to be made during at least the first fiscal year for which contract payments will be made.

(c) ELIGIBLE FARMLAND DESCRIBED.—Land shall be considered to be farmland eligible for coverage under a contract only if the land has contract acreage attributable to the land and—

(1) for at least 1 of the 1991 through 1995 crops, at least a portion of the land was enrolled in the acreage reduction program authorized for a crop of a contract commodity under section 101B, 103B, 105B, or 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) or was considered planted, including land on a farm that is owned or leased by a beginning farmer (as determined by the Secretary) that the Secretary determines is necessary to establish a fair and equitable crop acreage base;

(2) was subject to a conservation reserve contract under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) whose term expired, or was voluntarily terminated, on or after January 1, 1995; or

(3) is released from coverage under a conservation reserve contract by the Secretary during the period beginning on January 1, 1995, and ending on the date specified in subsection (b)(1)(A).

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—An annual contract payment shall be made not later than September 30 of each of fiscal years 1996 through 2002.

(2) ADVANCE PAYMENTS.—

(A) FISCAL YEAR 1996.—At the option of the owner or operator, 50 percent of the contract payment for fiscal year 1996 shall be made not later than June 15, 1996.

(B) SUBSEQUENT FISCAL YEARS.—At the option of the owner or operator for fiscal year 1997 and each subsequent fiscal year, 50 percent of the annual contract payment shall be made on December 15.

(e) AMOUNTS AVAILABLE FOR CONTRACT PAYMENTS FOR EACH FISCAL YEAR.—

(1) IN GENERAL.—The Secretary shall, to the maximum extent practicable, expend on a fiscal year basis the following amounts to satisfy the obligations of the Secretary under all contracts:

(A) For fiscal year 1996, $5,570,000,000.

(B) For fiscal year 1997, $5,385,000,000.

(C) For fiscal year 1998, $5,800,000,000.

(D) For fiscal year 1999, $5,603,000,000.

(E) For fiscal year 2000, $5,130,000,000.

(F) For fiscal year 2001, $4,130,000,000.

(G) For fiscal year 2002, $4,008,000,000.

(2) ALLOCATION.—The amount made available for a fiscal year under paragraph (1) shall be allocated as follows:

(A) For wheat, 26.26 percent.

(B) For corn, 46.22 percent.

(C) For grain sorghum, 5.11 percent.

(D) For barley, 2.16 percent.

(E) For oats, 0.15 percent.

(F) For upland cotton, 11.63 percent.

(G) For rice, 8.47 percent.

(3) ADJUSTMENT.—The Secretary shall adjust the amounts allocated for each contract commodity under paragraph (2) for a particular fiscal year by—

(A) subtracting an amount equal to the amount, if any, necessary to satisfy payment requirements under sections 103B, 105B, and 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the 1994 and 1995 crops of the commodity;

(B) adding an amount equal to the sum of all repayments of deficiency payments received under section 114(a)(2) of the Agricultural Act of 1949 for the commodity;

(C) to the maximum extent practicable, adding an amount equal to the sum of all contract payments withheld by the Secretary, at the request of an owner or operator subject to a contract, as an offset against repayments of deficiency payments otherwise required under section 114(a)(2) of the Act (as so in effect) for the commodity; and

(D) adding an amount equal to the sum of all refunds of contract payments received during the preceding fiscal year under subsection (h) for the commodity.

(4) ADDITIONAL RICE ALLOCATION.—In addition to the allocations provided under paragraphs (1), (2), and (3), the amounts made available for rice contract payments shall be increased by $17,000,000 for each of fiscal years 1997 through 2002.

(f) DETERMINATION OF CONTRACT PAYMENTS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall equal the sum of the amounts calculated under paragraph (1) for each individual contract.

(3) ANNUAL PAYMENT RATE.—The payment rate for a contract commodity for each fiscal year shall be equal to—

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by

(B) the amount determined under paragraph (2) for the fiscal year.

(4) ANNUAL PAYMENT AMOUNT.—The amount to be paid under a contract in effect for each fiscal year with respect to a contract commodity shall be equal to the product of—

(A) the payment quantity determined under paragraph (1) with respect to the contract; and

(B) the payment rate in effect under paragraph (3).

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to contract payments under this subsection. The owner or operator making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require in the contract, of any assignment made under this paragraph.

(6) SHARING OF CONTRACT PAYMENTS.—The Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis.

(g) PAYMENT LIMITATION.—The total amount of contract payments made to a person under a contract during any fiscal year may not exceed the payment limitations established under sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3).

(h) EFFECT OF VIOLATION.—

(1) TERMINATION OF CONTRACT.—Except as provided in paragraph (2), if an owner or operator subject to a contract violates the conservation plan for the farm containing eligible farmland under the contract, wetland protection requirements applicable to the farm, or the planting flexibility requirements of subsection (j), the Secretary shall terminate the contract with respect to the owner or operator on each farm in which the owner or operator has an interest. On the termination, the owner or operator shall forfeit all rights to receive future contract payments on each farm in which the owner or operator has an interest and shall refund to the Secretary all contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary.

(2) REFUND OR ADJUSTMENT.—If the Secretary determines that a violation does not warrant termination of the contract under paragraph (1), the Secretary may require the owner or operator subject to the contract—

(A) to refund to the Secretary that part of the contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary; or

(B) to accept a reduction in the amount of future contract payments that is proportionate to the severity of the violation, as determined by the Secretary.

(3) FORECLOSURE.—An owner or operator subject to a contract may not be required to make repayments to the Secretary of amounts received under the contract if the contract acreage has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment. This paragraph shall not void the responsibilities of such an owner or operator under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

(4) REVIEW.—A determination of the Secretary under this subsection shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

(i) TRANSFER OF INTEREST IN LANDS SUBJECT TO CONTRACT.—

(1) EFFECT OF TRANSFER.—Except as provided in paragraph (2), the transfer by an owner or operator subject to a contract of the right and interest of the owner or operator in the contract acreage shall result in the termination of the contract with respect to the acreage, effective on the date of the transfer, unless the transferee of the acreage agrees with the Secretary to assume all obligations of the contract. At the request of the transferee, the Secretary may modify the contract if the modifications are consistent with the objectives of this section as determined by the Secretary.

(2) EXCEPTION.—If an owner or operator who is entitled to a contract payment dies, becomes incompetent, or is otherwise unable to receive the contract payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(j) PLANTING FLEXIBILITY.—

(1) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(2) LIMITATIONS.—

(A) HAYING AND GRAZING.—

(i) TIME LIMITATIONS.—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any consecutive 5-month period between April 1 and October 31 that is determined by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage of a farm.

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

(iii) HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm.

(B) ALFALFA.—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(C) FRUITS AND VEGETABLES.—

(i) IN GENERAL.—The planting for harvest of fruits and vegetables shall be prohibited on contract acreage, unless there is a history of double cropping of a contract commodity and fruits and vegetables.

(ii) UNRESTRICTED VEGETABLES.—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

(k) CONSERVATION FARM OPTION.—

(1) IN GENERAL.—The Secretary shall offer eligible owners and operators with contract acreage under this title on a farm who also have entered into a conservation reserve program contract under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (7 U.S.C. 3831 et seq.), the option of entering into a conservation farm option contract for a period of 10 years, as an alternative to the market transition payment contract.

(2) TERMS.—Under the conservation farm option contract—

(A) the Secretary shall provide eligible owners and operators with payments that reflect the Secretary's estimate of the payments and benefits the eligible owner or operator is expected to receive during the 10-year period under—

(i) conservation cost-share programs administered by the Secretary;

(ii) conservation reserve program rental and cost-share payments;

(iii) market transition payments; and

(iv) loan programs for contract commodities, oilseeds, and extra long staple cotton; and

(B) the eligible owner and operator shall—

(i) forego eligibility to participate in the conservation reserve program, conservation cost-share program payments, and market transition contracts; and

(ii) comply with a conservation plan for the farm approved by the Secretary that is consistent with the State conservation farm option plan established under paragraph (3).

(3) STATE CONSERVATION FARM OPTION PLAN.—In consultation with the State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3801), the Secretary shall establish a plan for each State that is designed to—

(A) protect wildlife habitat;

(B) improve water quality; and

(C) reduce soil erosion.

SEC. 104. NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF NONRECOURSE LOANS.—

(1) AVAILABILITY.—For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodity.

(2) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(A) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(B) In the case of a marketing assistance loan for extra long staple cotton and oilseeds, any production.

(b) LOAN RATES.—

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $2.58 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year

in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

(c) TERM OF LOAN.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) REPAYMENT.—

(1) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) REPAYMENT RATES FOR UPLAND COTTON, OILSEEDS, AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds, and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds, and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds, and rice, respectively (adjusted to United States quality and location), as determined by the Secretary.

(3) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary).

(4) PREVAILING WORLD MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

(A) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(A) IN GENERAL.—During the period ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under paragraph (4) shall be further adjusted if—

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the ''Northern Europe price'').

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference between—

(i) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—Except as provided in paragraph (4), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate determined under paragraph (3) for the loan commodity; by

(B) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forgo obtaining the loan in return for payments under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b) for the loan commodity; exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This subsection shall not apply with respect to extra long staple cotton.

(f) SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.—

(1) COTTON USER MARKETING CERTIFICATES.—

(A) ISSUANCE.—Subject to subparagraph (D), during the period ending July 31, 2003, the Secretary shall issue marketing certificates or cash payments to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(i) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(ii) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 130 percent of the loan rate for upland cotton established under subsection (b).

(B) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(C) ADMINISTRATION OF MARKETING CERTIFICATES.—

(i) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this paragraph.

(ii) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

(iii) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(D) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under subparagraph (A) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price quotation for the lowest priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this paragraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

(E) LIMITATION ON EXPENDITURES.—Total expenditures under this paragraph shall not exceed $701,000,000 during fiscal years 1996 through 2002.

(2) SPECIAL IMPORT QUOTA.—

(A) ESTABLISHMENT.—The President shall carry out an import quota program that provides that, during the period ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under paragraph (1), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(B) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(C) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90

days after the date of the Secretary's announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(D) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by subparagraph (A), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (g).

(E) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(F) DEFINITION.—In this paragraph, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (f)(2).

(h) SOURCE OF LOANS.—

(1) IN GENERAL.—The Secretary shall provide the loans authorized by this section through the Commodity Credit Corporation and other means available to the Secretary.

(2) PROCESSORS.—Whenever any loan or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive maximum benefits from the loan or surplus removal operation.

(i) ADJUSTMENTS OF LOANS.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for any commodity for differences in grade, type, quality, location, and other factors.

(2) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section.

(j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(A) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(B) a failure to properly care for and preserve a commodity; or

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section.

(3) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(4) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(k) COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.—

(1) IN GENERAL.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Paragraph (1) shall not apply to—

(A) a sale for a new or byproduct use;

(B) a sale of peanuts or oilseeds for the extraction of oil;

(C) a sale for seed or feed if the sale will not substantially impair any loan program;

(D) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(F) a sale for export, as determined by the Corporation; and

(G) a sale for other than a primary use.

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(4) EFFICIENT OPERATIONS.—Paragraph (1) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 105. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS.—The total amount of contract payments made under section 103 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

''(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

''(A) LIMITATION.—The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under

section 104 of the Agricultural Market Transition Act for contract commodities and oilseeds during any crop year may not exceed $75,000.

''(B) DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

''(i) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 104(b) of the Act.

''(ii) Any loan deficiency payment received for a loan commodity under section 104(e) of the Act.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking ''paragraphs (6) and (7)'' and inserting ''paragraphs (4) and (5)''.

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) is amended by striking ''paragraphs (5) through (7) of section 1001, as amended by this subtitle,'' and inserting ''paragraphs (3) through (5) of section 1001,''.

(3) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1)) is amended—

(A) in the first sentence of subsection (a)(1)—

(i) by striking ''section 1001(5)(B)(i)'' and inserting ''section 1001(3)(B)(i)'';

(ii) by striking ''under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)''; and

(iii) by striking ''section 1001(5)(B)(i)(II)'' and inserting ''section 1001(3)(B)(i)(II)''; and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) by striking ''under the Agricultural Act of 1949''; and

(II) by striking ''section 1001(5)(B)(i)'' and inserting ''section 1001(3)(B)(i)''; and

(ii) in paragraph (2)(B), by striking ''section 1001(5)(B)(i)(II)'' and inserting ''section 1001(3)(B)(i)(II)''.

(4) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended—

(A) by striking ''For each of the 1991 through 1997 crops, any'' and inserting ''Any'';

(B) by striking ''price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.),'' and inserting ''loans or payments made available under the Agricultural Market Transition Act''; and

(C) by striking ''during the 1989 through 1997 crop years''.

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 104(i)(1).

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident that was produced outside the State.

(C) TYPES OF PEANTUS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) OFFSET WITHIN AREA.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(7) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1991 through 1997 crops of**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years'';

(v) in subsection (b)(1), by adding at the end the following:

''(D) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1997 marketing year, the Secretary shall not establish a farm poundage quota under subparagraph (A) for a farm owned or controlled by—

''(i) a municipality, airport authority, school, college, refuge, or other public entity (other than a university used for research purposes); or

''(ii) a person who is not a producer and resides in another State.'';

(vi) in subsection (b)(2), by adding at the end the following:

''(E) TRANSFER OF QUOTA FROM INELIGIBLE FARMS.—Any farm poundage quota held at the end of the 1996 marketing year by a farm described in paragraph (1)(D) shall be allocated to other farms in the same State on such basis as the Secretary may by regulation prescribe.''; and

(vii) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 through 1995 crops of**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**for 1991 through 1997 crops of peanuts**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking ''including—'' and clauses (i) and (ii) and inserting ''including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).'';

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

''(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

SEC. 107. SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) TERM OF LOANS.—

(1) IN GENERAL.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of 9 months; or

(B) the end of the fiscal year.

(2) SUPPLEMENTAL LOANS.—In the case of loans made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

(A) be made at the loan rate in effect at the time the second loan is made; and

(B) mature in 9 months less the quantity of time that the first loan was in effect.

(d) LOAN TYPE; PROCESSOR ASSURANCES.—

(1) RECOURSE LOANS.—Subject to paragraph (2), the Secretary shall carry out this section through the use of recourse loans.

(2) NONRECOURSE LOANS.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level in excess of 1,500,000 short tons raw value, the Secretary shall carry out this section by making available nonrecourse loans. Any recourse loan previously made available by the Secretary under this section during the fiscal year shall be changed by the Secretary into a nonrecourse loan.

(3) PROCESSOR ASSURANCES.—If the Secretary is required under paragraph (2) to make nonrecourse loans available during a fiscal year or to change recourse loans into nonrecourse loans, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor. The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(e) MARKETING ASSESSMENT.—

(1) SUGARCANE.—Effective for marketings of raw cane sugar during the 1996 through 2003 fiscal years, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

(2) SUGAR BEETS.—Effective for marketings of beet sugar during the 1996 through 2003 fiscal years, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

(3) COLLECTION.—

(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of cane sugar or beet sugar involved in the violation; by

(B) the loan rate for the applicable crop of sugarcane or sugar beets.

(5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.

(f) FORFEITURE PENALTY.—

(1) IN GENERAL.—A penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

(2) CANE SUGAR.—The penalty for cane sugar shall be 1 cent per pound.

(3) BEET SUGAR.—The penalty for beet sugar shall bear the same relation to the penalty for cane sugar as the marketing assessment for sugar beets bears to the marketing assessment for sugarcane.

(4) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits of any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(g) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(3) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(h) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.

SEC. 108. ADMINISTRATION.

(a) COMMODITY CREDIT CORPORATION.—

(1) USE OF CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(2) SALARIES AND EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) shall be final and conclusive.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 109. SUSPENSION AND REPEAL OF PERMANENT AUTHORITIES.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

(1) IN GENERAL.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops:

(A) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(B) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(C) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(D) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(E) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj).

(F) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361–1368).

(G) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(H) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(I) Title IV (7 U.S.C. 1401–1407).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(b) AGRICULTURAL ACT OF 1949.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through 2002 crops:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1444(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445g).

(G) Section 115 (7 U.S.C. 1445k).

(H) Title III (7 U.S.C. 1447–1449).

(I) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 406, 412, 416, and 427 (7 U.S.C. 1424, 1426, 1429, 1431, and 1433f).

(J) Title V (7 U.S.C. 1461–1469).

(K) Title VI (7 U.S.C. 1471–1471j).

(2) REPEALS.—The following provisions of the Agricultural Act of 1949 are repealed:

(A) Section 103B (7 U.S.C. 1444–2).

(B) Section 108B (7 U.S.C. 1445c–3).

(C) Section 113 (7 U.S.C. 1445h).

(D) Section 114(b) (7 U.S.C. 1445j(b)).

(E) Sections 205, 206, and 207 (7 U.S.C. 1446f, 1446g, and 1446h).

(F) Section 406 (7 U.S.C. 1426).

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled ''A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved

May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

SEC. 110. EFFECT OF AMENDMENTS.

(a) EFFECT ON PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary to carry out a price support or production adjustment program for any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law in effect immediately before the date of the enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect before the date of the enactment of this Act.

TITLE II—AGRICULTURAL TRADE

Subtitle A—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 201. FOOD AID TO DEVELOPING COUNTRIES.

(a) IN GENERAL.—Section 3 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.

''(a) POLICY.—In light of the Uruguay Round Agreement on Agriculture and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net-Food Importing Developing Countries, the United States reaffirms the commitment of the United States to providing food aid to developing countries.

''(b) SENSE OF CONGRESS.—It is the sense of Congress that—

''(1) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and

''(2) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.''.

(b) CONFORMING AMENDMENT.—Section 411 of the Uruguay Round Agreements Act (19 U.S.C. 3611) is amended by striking subsection (e).

SEC. 202. TRADE AND DEVELOPMENT ASSISTANCE.

Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended—

(1) by striking ''developing countries'' each place it appears and inserting ''developing countries and private entities''; and

(2) in subsection (b), by inserting ''and entities'' before the period at the end.

SEC. 203. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

Section 102 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1702) is amended to read as follows:

"SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

''(a) PRIORITY.—In selecting agreements to be entered into under this title, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

''(1) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;

''(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

''(3) demonstrate the greatest need for food.

''(b) PRIVATE ENTITIES.—An agreement entered into under this title with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

''(c) AGRICULTURAL MARKET DEVELOPMENT PLAN.—

''(1) DEFINITION OF AGRICULTURAL TRADE ORGANIZATION.—In this subsection, the term 'agricultural trade organization' means a United States agricultural trade organization that promotes the export and sale of a United States agricultural commodity and that does not stand to profit directly from the specific sale of the commodity.

''(2) PLAN.—The Secretary shall consider a developing country for which an agricultural market development plan has been approved under this subsection to have the demonstrated potential to become a commercial market for competitively priced United States agricultural commodities for the purpose of granting a priority under subsection (a).

''(3) REQUIREMENTS.—

''(A) IN GENERAL.—To be approved by the Secretary, an agricultural market development plan shall—

''(i) be submitted by a developing country or private entity, in conjunction with an agricultural trade organization;

''(ii) describe a project or program for the development and expansion of a United States agricultural commodity market in a developing country, and the economic development of the country, using funds derived from the sale of agricultural commodities received under an agreement described in section 101;

''(iii) provide for any matching funds that are required by the Secretary for the project or program;

''(iv) provide for a results-oriented means of measuring the success of the project or program; and

''(v) provide for graduation to the use of non-Federal funds to carry out the project or program, consistent with requirements established by the Secretary.

''(B) AGRICULTURAL TRADE ORGANIZATION.—The project or program shall be designed and carried out by the agricultural trade organization.

''(C) ADDITIONAL REQUIREMENTS.—An agricultural market development plan shall contain such additional requirements as are determined necessary by the Secretary.

''(4) ADMINISTRATIVE COSTS.—

''(A) IN GENERAL.—The Secretary shall make funds made available to carry out this title available for the reimbursement of administrative expenses incurred by agricultural trade organizations in developing, implementing, and administering agricultural market development plans, subject to such requirements and in such amounts as the Secretary considers appropriate.

''(B) DURATION.—The funds shall be made available to agricultural trade organizations for the duration of the applicable agricultural market development plan.

''(C) TERMINATION.—The Secretary may terminate assistance made available under this subsection if the agricultural trade organization is not carrying out the approved agricultural market development plan.''.

SEC. 204. TERMS AND CONDITIONS OF SALES.

Section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

(1) in subsection (a)(2)(A)—

(A) by striking ''a recipient country to make''; and

(B) by striking ''such country'' and inserting ''the appropriate country'';

(2) in subsection (c), by striking ''less than 10 nor''; and

(3) in subsection (d)—

(A) by striking ''recipient country'' and inserting ''developing country or private entity''; and

(B) by striking ''7'' and inserting ''5''.

SEC. 205. USE OF LOCAL CURRENCY PAYMENT.

Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

(1) in subsection (a), by striking ''recipient country'' and inserting ''developing country or private entity''; and

(2) in subsection (c)—

(A) by striking ''recipient country'' each place it appears and inserting ''appropriate developing country''; and

(B) in paragraph (3), by striking ''recipient countries'' and inserting ''appropriate developing countries''.

SEC. 206. VALUE-ADDED FOODS.

Section 105 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1705) is repealed.

SEC. 207. ELIGIBLE ORGANIZATIONS.

(a) IN GENERAL.—Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) NONEMERGENCY ASSISTANCE.—

''(1) IN GENERAL.—The Administrator may provide agricultural commodities for nonemergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use the commodities in accordance with this title.

''(2) LIMITATION.—The Administrator may not deny a request for funds submitted under this subsection because the program for which the funds are requested—

''(A) would be carried out by the eligible organization in a foreign country in which the Agency for International Development does not have a mission, office, or other presence; or

''(B) is not part of a development plan for the country prepared by the Agency.''; and

(2) in subsection (e)—

(A) in the subsection heading, by striking ''PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES'' and inserting ''ELIGIBLE ORGANIZATIONS'';

(B) in paragraph (1)—

(i) by striking ''$13,500,000'' and inserting ''$28,000,000''; and

(ii) by striking ''private voluntary organizations and cooperatives to assist such organizations and cooperatives'' and inserting ''eligible organizations described in subsection (d), to assist the organizations'';

(C) by striking paragraph (2) and inserting the following:

''(2) REQUEST FOR FUNDS.—To receive funds made available under paragraph (1), a private voluntary organization or cooperative shall submit a request for the funds that is subject to approval by the Administrator.''; and

(D) in paragraph (3), by striking ''a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative'' and inserting ''an eligible organization, the Administrator may provide assistance to the eligible organization''.

(b) CONFORMING AMENDMENTS.—Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a), by striking ''a private voluntary organization or cooperative'' and inserting ''an eligible organization''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''private voluntary organizations and cooperatives'' and inserting ''eligible organizations''; and

(B) in paragraph (2), by striking ''organizations, cooperatives,'' and inserting ''eligible organizations''.

SEC. 208. GENERATION AND USE OF FOREIGN CURRENCIES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in subsection (a), by inserting '', or in a country in the same region,'' after ''in the recipient country'';

(2) in subsection (b)—

(A) by inserting ''or in countries in the same region,'' after ''in recipient countries,''; and

(B) by striking ''10 percent'' and inserting ''15 percent'';

(3) in subsection (c), by inserting ''or in a country in the same region,'' after ''in the recipient country,''; and

(4) in subsection (d)(2), by inserting ''or within a country in the same region'' after ''within the recipient country''.

SEC. 209. GENERAL LEVELS OF ASSISTANCE UNDER PUBLIC LAW 480.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking ''amount that'' and all that follows through the period at the end and inserting ''amount that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.'';

(2) in paragraph (2), by striking ''amount that'' and all that follows through the period at the end and inserting ''amount that for each of fiscal years 1996 through 2002 is not less than 1,550,000 metric tons.''; and

(3) in paragraph (3), by adding at the end the following: ''No waiver shall be made before the beginning of the applicable fiscal year.''.

SEC. 210. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by striking ''private voluntary organizations, cooperatives and indigenous non-governmental organizations'' and inserting ''eligible organizations described in section 202(d)(1)'';

(2) in subsection (b)—

(A) in paragraph (2), by striking ''for International Affairs and Commodity Programs'' and inserting ''of Agriculture for Farm and Foreign Agricultural Services'';

(B) in paragraph (4), by striking ''and'' at the end;

(C) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(6) representatives from agricultural producer groups in the United States.'';

(3) in the second sentence of subsection (d), by inserting ''(but at least twice per year)'' after ''when appropriate''; and

(4) in subsection (f), by striking ''1995'' and inserting ''2002''.

SEC. 211. SUPPORT OF NONGOVERNMENTAL ORGANIZATIONS.

(a) IN GENERAL.—Section 306(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727e(b)) is amended—

(1) in the subsection heading, by striking ''INDIGENOUS NON-GOVERNMENTAL'' and inserting ''NONGOVERNMENTAL''; and

(2) by striking ''utilization of indigenous'' and inserting ''utilization of''.

(b) CONFORMING AMENDMENT.—Section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking paragraph (6) and inserting the following:

''(6) NONGOVERNMENTAL ORGANIZATION.—The term 'nongovernmental organization' means an organization that works at the local level to solve development problems in a foreign country in which the organization is located, except that the term does not include an organization that is primarily an agency or instrumentality of the government of the foreign country.''.

SEC. 212. COMMODITY DETERMINATIONS.

Section 401 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731) is amended—

(1) by striking subsections (a) through (d) and inserting the following:

''(a) AVAILABILITY OF COMMODITIES.—No agricultural commodity shall be available for disposition under this Act if the Secretary determines that the disposition would reduce the domestic supply of the commodity below the supply needed to meet domestic requirements and provide adequate carryover (as determined by the Secretary), unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.'';

(2) by redesignating subsections (e) and (f) as subsections (b) and (c), respectively; and

(3) in subsection (c) (as so redesignated), by striking ''(e)(1)'' and inserting ''(b)(1)''.

SEC. 213. GENERAL PROVISIONS.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking ''CONSULTATIONS'' and inserting ''IMPACT ON LOCAL FARMERS AND ECONOMY''; and

(B) by striking ''consult with'' and all that follows through ''other donor organizations to'';

(2) in subsection (c)—

(A) by striking ''from countries''; and

(B) by striking ''for use'' and inserting ''or use'';

(3) in subsection (f)—

(A) by inserting ''or private entities, as appropriate,'' after ''from countries''; and

(B) by inserting ''or private entities'' after ''such countries''; and

(4) in subsection (i)(2), by striking subparagraph (C).

SEC. 214. AGREEMENTS.

Section 404 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1734) is amended—

(1) in subsection (a), by inserting ''with foreign countries'' after ''Before entering into agreements'';

(2) in subsection (b)(2)—

(A) by inserting ''with foreign countries'' after ''with respect to agreements entered into''; and

(B) by inserting before the semicolon at the end the following: ''and broad-based economic growth''; and

(3) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis to recipient countries or to eligible organizations—

''(A) may be made available under titles I and III; and

''(B) shall be made available under title II.''.

SEC. 215. USE OF COMMODITY CREDIT CORPORATION.

Section 406 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736) is amended—

(1) in subsection (a), by striking ''shall'' and inserting ''may''; and

(2) in subsection (b)—

(A) by inserting ''titles II and III of'' after ''commodities made available under''; and

(B) by striking paragraph (4) and inserting the following:

''(4) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;''.

SEC. 216. ADMINISTRATIVE PROVISIONS.

Section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

(1) in subsection (a)—

(A) in paragraph(1), by inserting ''or private entity that enters into an agreement under title I'' after ''importing country''; and

(B) in paragraph (2), by adding at the end the following: ''Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.'';

(2) in subsection (c)—

(A) in paragraph (1)(A), by inserting ''importer or'' before ''importing country''; and

(B) in paragraph (2)(A), by inserting ''importer or'' before ''importing country'';

(3) in subsection (d)—

(A) by striking paragraph (2) and inserting the following:

''(2) FREIGHT PROCUREMENT.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of such full and open competitive procedures. Resulting contracts may contain such terms and conditions, as the Administrator determines are necessary and appropriate.''; and

(B) by striking paragraph (4);

(4) in subsection (g)(2)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis on the nutritional status of the poorest populations in each country.''; and

(5) by striking subsection (h).

SEC. 217. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking ''1995'' and inserting ''2002''.

SEC. 218. REGULATIONS.

Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

SEC. 219. INDEPENDENT EVALUATION OF PROGRAMS.

Section 410 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

SEC. 220. AUTHORIZATION OF APPROPRIATIONS.

Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended—

(1) by striking subsections (b) and (c) and inserting the following:

''(b) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the President may direct that—

''(1) up to 15 percent of the funds available for any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act; and

''(2) any funds available for title III be used to carry out title II.''; and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 221. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

Section 413 of the Agricultural Trade Development and Assistance Act of 1954 (7

U.S.C. 1736g) is amended by inserting ''title III of'' before ''this Act'' each place it appears.

SEC. 222. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

''SEC. 415. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

''(a) IN GENERAL.—Not later than September 30, 1997, the Secretary, in consultation with the Administrator, shall establish a micronutrient fortification pilot program under this Act. The purposes of the program shall be to—

''(1) assist developing countries in correcting micronutrient dietary deficiencies among segments of the populations of the countries; and

''(2) encourage the development of technologies for the fortification of whole grains and other commodities that are readily transferable to developing countries.

''(b) SELECTION OF PARTICIPATING COUNTRIES.—From among the countries eligible for assistance under this Act, the Secretary may select not more than 5 developing countries to participate in the pilot program.

''(c) FORTIFICATION.—Under the pilot program, whole grains and other commodities made available to a developing country selected to participate in the pilot program may be fortified with 1 or more micronutrients (including vitamin A, iron, and iodine) with respect to which a substantial portion of the population in the country are deficient. The commodity may be fortified in the United States or in the developing country.

''(d) TERMINATION OF AUTHORITY.—The authority to carry out the pilot program established under this section shall terminate on September 30, 2002.''.

SEC. 223. USE OF CERTAIN LOCAL CURRENCY.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as amended by section 222) is further amended by adding at the end the following:

''SEC. 416. USE OF CERTAIN LOCAL CURRENCY.

''Local currency payments received by the United States pursuant to agreements entered into under title I (as in effect on November 27, 1990) may be utilized by the Secretary in accordance with section 108 (as in effect on November 27, 1990).''.

SEC. 224. LEVELS OF ASSISTANCE UNDER FARMER-TO-FARMER PROGRAM.

Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively; and

(B) by inserting after paragraph (3) the following:

''(4) assist the travel of farmers and other agricultural professionals from developing countries, middle income countries, and emerging democracies to the United States for educational purposes consistent with the objectives of this section;''; and

(2) in subsection (c), by striking ''1991 through 1995'' and inserting ''1996 through 2002''.

SEC. 225. FOOD SECURITY COMMODITY RESERVE.

(a) IN GENERAL.—Title III of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 et seq.) is amended to read as follows:

''TITLE III—FOOD SECURITY COMMODITY RESERVE

''SEC. 301. SHORT TITLE.

''This title may be cited as the 'Food Security Commodity Reserve Act of 1996'.

''SEC. 302. ESTABLISHMENT OF COMMODITY RESERVE.

''(a) IN GENERAL.—To provide for a reserve solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the 'Secretary') shall establish a reserve stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totalling not more than 4,000,000 metric tons for use as described in subsection (c).

''(b) COMMODITIES IN RESERVE.—

''(1) IN GENERAL.—The reserve established under this section shall consist of—

''(A) wheat in the reserve established under the Food Security Wheat Reserve Act of 1980 as of the effective date of the Agricultural Reform and Improvement Act of 1996;

''(B) wheat, rice, corn, and sorghum (referred to in this section as 'eligible commodities') acquired in accordance with paragraph (2) to replenish eligible commodities released from the reserve, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the effective date of the Agricultural Reform and Improvement Act of 1996; and

''(C) such rice, corn, and sorghum as the Secretary may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an equivalent value of wheat in the reserve established under this section.

''(2) REPLENISHMENT OF RESERVE.—

''(A) IN GENERAL.—Subject to subsection (i), commodities of equivalent value to eligible commodities in the reserve established under this section may be acquired—

''(i) through purchases—

''(I) from producers; or

''(II) in the market, if the Secretary determines that the purchases will not unduly disrupt the market; or

''(ii) by designation by the Secretary of stocks of eligible commodities of the Commodity Credit Corporation.

''(B) FUNDS.—Any use of funds to acquire eligible commodities through purchases from producers or in the market to replenish the reserve must be authorized in an appropriation Act.

''(c) RELEASE OF ELIGIBLE COMMODITIES.—

''(1) EMERGENCY FOOD ASSISTANCE.—Notwithstanding any other law, eligible commodities designated or acquired for the reserve established under this section may be released by the Secretary to provide, on a donation or sale basis, emergency food assistance to developing countries at such time as the domestic supply of the eligible commodities is so limited that quantities of the eligible commodities cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) (other than disposition for urgent humanitarian purposes under section 401 of the Act (7 U.S.C. 1731)).

''(2) PROVISION OF URGENT HUMANITARIAN RELIEF.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), eligible commodities may be released from the reserve established under this section for any fiscal year, without regard to the availability of domestic supply, for use under title II of the Agricultural Trade Development Assistance Act of 1954 (7 U.S.C. 1721 et seq.) in providing urgent humanitarian relief in any developing country suffering a major disaster (as determined by the Secretary) in accordance with this paragraph.

''(B) EXCEPTIONAL NEED.—If the eligible commodities needed for relief cannot be made available for relief in a timely manner under the normal means of obtaining eligible commodities for food assistance because of circumstances of unanticipated and exceptional need, up to 500,000 metric tons of eligible commodities may be released under subparagraph (A).

''(C) FUNDS.—If the Secretary certifies that the funds made available for a fiscal year to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) are not less than the funds made available for the previous fiscal year, up to 1,000,000 metric tons of eligible commodities may be released under subparagraph (A).

''(D) WAIVER OF MINIMUM TONNAGE REQUIREMENTS.—Nothing in this paragraph shall require the exercise of the waiver under section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 5624(a)(3)) as a prerequisite for the release of eligible commodities under this paragraph.

''(E) LIMITATION.—The quantity of eligible commodities released under this paragraph may not exceed 1,000,000 metric tons in any fiscal year.

''(3) PROCESSING OF ELIGIBLE COMMODITIES.—Eligible commodities that are released from the reserve established under this section may be processed in the United States and shipped to a developing country when conditions in the recipient country require processing.

''(4) EXCHANGE.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

''(d) USE OF ELIGIBLE COMMODITIES.—Eligible commodities that are released from the reserve established under this section for the purpose of subsection (c) shall be made available under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) to meet famine or other urgent or extraordinary relief needs, except that section 401 of the Act (7 U.S.C. 1731), with respect to determinations of availability, shall not be applicable to the release.

''(e) MANAGEMENT OF ELIGIBLE COMMODITIES.—The Secretary shall provide—

''(1) for the management of eligible commodities in the reserve established under this section as to location and quality of eligible commodities needed to meet emergency situations; and

''(2) for the periodic rotation or replacement of stocks of eligible commodities in the reserve to avoid spoilage and deterioration of the commodities.

''(f) TREATMENT OF RESERVE UNDER OTHER LAW.—Eligible commodities in the reserve established under this section shall not be—

''(1) considered a part of the total domestic supply (including carryover) for the purpose of subsection (c) or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

''(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).

''(g) USE OF COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to the limitations provided in this section, the funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of eligible commodities owned or controlled by the Commodity Credit Corporation shall not apply.

''(2) REIMBURSEMENT.—

''(A) IN GENERAL.—The Commodity Credit Corporation shall be reimbursed for the release of eligible commodities from funds made available to carry out the Agricultural

Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

''(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of—

''(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

''(ii) the export market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the reserve for the purpose.

''(C) SOURCE OF FUNDS.—The reimbursement may be made from funds appropriated for the purpose of reimbursement in subsequent fiscal years.

''(h) FINALITY OF DETERMINATION.—Any determination by the Secretary under this section shall be final.

''(i) TERMINATION OF AUTHORITY.—

''(1) IN GENERAL.—The authority to replenish stocks of eligible commodities to maintain the reserve established under this section shall terminate on September 30, 2002.

''(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the reserve after September 30, 2002, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.''.

(b) CONFORMING AMENDMENT.—Section 208(d) of the Agriculture Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)) is amended by striking paragraph (2) and inserting the following:

''(2) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (c), (d), (e), (f), and (g)(2) of section 302 of the Food Security Commodity Reserve Act of 1996 shall apply to commodities in any reserve established under paragraph (1), except that the references to 'eligible commodities' in the subsections shall be deemed to be references to 'agricultural commodities'.''.

SEC. 226. PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL FUEL PRODUCTION.

Section 1208 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is repealed.

SEC. 227. FOOD FOR PROGRESS PROGRAM.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''(b)(1)'' and inserting ''(b)''; and

(ii) in the first sentence, by inserting ''intergovernmental organizations'' after ''cooperatives''; and

(B) by striking paragraph (2);

(2) in subsection (e)(4), by striking ''203'' and inserting ''406'';

(3) in subsection (f)—

(A) in paragraph (1), by striking ''in the case of the independent states of the former Soviet Union,'';

(B) by striking paragraph (2);

(C) in paragraph (4), by inserting ''in each of fiscal years 1996 through 2002'' after ''may be used''; and

(D) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(4) in subsection (g), by striking ''1995'' and inserting ''2002'';

(5) in subsection (j), by striking ''shall'' and inserting ''may'';

(6) in subsection (k), by striking ''1995'' and inserting ''2002'';

(7) in subsection (l)(1)—

(A) by striking ''1991 through 1995'' and inserting ''1996 through 2002''; and

(B) by inserting '', and to provide technical assistance for monetization programs,'' after ''monitoring of food assistance programs''; and

(8) in subsection (m)—

(A) by striking ''with respect to the independent states of the former Soviet Union'';

(B) by striking ''private voluntary organizations and cooperatives'' each place it appears and inserting ''agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives''; and

(C) in paragraph (2), by striking ''in the independent states''.

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FINANCING.

Section 402 of the Mutual Security Act of 1954 (22 U.S.C. 1922) is repealed.

SEC. 229. STIMULATION OF FOREIGN PRODUCTION.

Section 7 of the Act of December 30, 1947 (61 Stat. 947, chapter 526; 50 U.S.C. App. 1917) is repealed.

Subtitle B—Amendments to Agricultural Trade Act of 1978

SEC. 241. AGRICULTURAL EXPORT PROMOTION STRATEGY.

(a) IN GENERAL.—Section 103 of the Agricultural Trade Act of 1978 (7 U.S.C. 5603) is amended to read as follows:

''SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.

''(a) IN GENERAL.—The Secretary shall develop a strategy for implementing Federal agricultural export promotion programs that takes into account the new market opportunities for agricultural products, including opportunities that result from—

''(1) the North American Free Trade Agreement and the Uruguay Round Agreements;

''(2) any accession to membership in the World Trade Organization;

''(3) the continued economic growth in the Pacific Rim; and

''(4) other developments.

''(b) PURPOSE OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

''(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall have the following goals:

''(1) By September 30, 2002, increasing the value of annual United States agricultural exports to $60,000,000,000.

''(2) By September 30, 2002, increasing the United States share of world export trade in agricultural products significantly above the average United States share from 1993 through 1995.

''(3) By September 30, 2002, increasing the United States share of world trade in high-value agricultural products to 20 percent.

''(4) Ensuring that the value of United States exports of agricultural products increases at a faster rate than the rate of increase in the value of overall world export trade in agricultural products.

''(5) Ensuring that the value of United States exports of high-value agricultural products increases at a faster rate than the rate of increase in overall world export trade in high-value agricultural products.

''(6) Ensuring to the extent practicable that—

''(A) substantially all obligations undertaken in the Uruguay Round Agreement on Agriculture that provide significantly increased access for United States agricultural commodities are implemented to the extent required by the Uruguay Round Agreements; or

''(B) applicable United States trade laws are used to secure United States rights under the Uruguay Round Agreement on Agriculture.

''(d) PRIORITY MARKETS.—

''(1) IDENTIFICATION OF MARKETS.—In developing the strategy required under subsection (a), the Secretary shall identify as priority markets—

''(A) those markets in which imports of agricultural products show the greatest potential for increase by September 30, 2002; and

''(B) those markets in which, with the assistance of Federal export promotion programs, exports of United States agricultural products show the greatest potential for increase by September 30, 2002.

''(2) IDENTIFICATION OF SUPPORTING OFFICES.—The President shall identify annually in the budget of the United States Government submitted under section 1105 of title 31, United States Code, each overseas office of the Foreign Agricultural Service that provides assistance to United States exporters in each of the priority markets identified under paragraph (1).

''(e) REPORT.—Not later than December 31, 2001, the Secretary shall prepare and submit a report to Congress assessing progress in meeting the goals established by subsection (c).

''(f) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that more than 2 of the goals established by subsection (c) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

''(g) NO PRIVATE RIGHT OF ACTION.—This section shall not create any private right of action.''.

(b) CONTINUATION OF FUNDING.—

(1) IN GENERAL.—If the Secretary of Agriculture makes a determination under section 103(f) of the Agricultural Trade Act of 1978 (as amended by subsection (a)), the Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(2) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

(c) ELIMINATION OF REPORT.—

(1) IN GENERAL.—Section 601 of the Agricultural Trade Act of 1978 (7 U.S.C. 5711) is repealed.

(2) CONFORMING AMENDMENT.—The last sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking '', in a consolidated report,'' and all that follows through ''section 601'' and inserting ''or in a consolidated report''.

SEC. 242. EXPORT CREDITS.

(a) EXPORT CREDIT GUARANTEE PROGRAM.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a)—

(A) by striking ''GUARANTEES.—The'' and inserting the following: ''GUARANTEES.—

''(1) IN GENERAL.—The''; and

(B) by adding at the end the following:

''(2) SUPPLIER CREDITS.—In carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of not more than 180 days by a United States exporter to a buyer in a foreign country.'';

(2) in subsection (f)—

(A) by striking ''(f) RESTRICTIONS.—The'' and inserting the following:

''(f) RESTRICTIONS.—

''(1) IN GENERAL.—The''; and

(B) by adding at the end the following:

''(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—

''(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;

''(B) the convertibility of the currency of the country;

''(C) whether the country provides adequate legal protection for foreign investments;

''(D) whether the country has viable financial markets;

''(E) whether the country provides adequate legal protection for the private property rights of citizens of the country; and

''(F) any other factors that are relevant to the ability of the country to service the debt of the country.'';

(3) by striking subsection (h) and inserting the following:

''(h) UNITED STATES AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.'';

(4) in subsection (i)—

(A) by striking ''INSTITUTIONS.—A financial'' and inserting the following: ''INSTITUTIONS.—

''(1) IN GENERAL.—A financial'';

(B) by striking paragraph (1);

(C) by striking ''(2) is'' and inserting the following:

''(A) is'';

(D) by striking ''(3) is'' and inserting the following:

''(B) is''; and

(E) by adding at the end the following:

''(2) THIRD COUNTRY BANKS.—The Commodity Credit Corporation may guarantee under subsections (a) and (b) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined.''; and

(5) by striking subsection (k) and inserting the following:

''(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

''(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000, 2001, and 2002, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

''(2) LIMITATION.—The percentage requirement of paragraph (1) shall apply for a fiscal year to the extent that a reduction in the total amount of credit guarantees issued for the fiscal year is not required to meet the percentage requirement.''.

(b) FUNDING LEVELS.—Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended—

(1) by striking paragraph (2);

(2) by redesignating subparagraph (B) of paragraph (1) as paragraph (2) and indenting the margin of paragraph (2) (as so redesignated) so as to align with the margin of paragraph (1); and

(3) by striking paragraph (1) and inserting the following:

''(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2002 not less than $5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.''.

(c) DEFINITIONS.—Section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended by striking subparagraphs (A) and (B) and inserting the following:

''(A) an agricultural commodity or product entirely produced in the United States; or

''(B) a product of an agricultural commodity—

''(i) 90 percent or more of which by weight, excluding packaging and water, is entirely produced in the United States; and

''(ii) that the Secretary determines to be a high value agricultural product.''.

(d) REGULATIONS.—Not later than 180 days after the effective date of this title, the Secretary of Agriculture shall issue regulations to carry out the amendments made by this section.

SEC. 243. MARKET PROMOTION PROGRAM.

Effective October 1, 1995, section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking ''and'' after ''1991 through 1993,''; and

(2) by striking ''through 1997,'' and inserting ''through 1995, and not more than $70,000,000 for each of fiscal years 1996 through 2002,'':

Provided, That funds made available under this Act to carry out the non-generic activities of the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are non-foreign entities and are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to the associations described in the first section of the Act entitled ''An Act to authorize association of producers of agricultural products'', approved February 22, 1922 (7 U.S.C. 291): *Provided further,* that such funds may not be used to provide cost-share assistance to a foreign eligible trade organization: *Provided further,* That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000.

SEC. 244. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

''(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

''(A) $350,000,000 for fiscal year 1996;

''(B) $350,000,000 for fiscal year 1997;

''(C) $500,000,000 for fiscal year 1998;

''(D) $550,000,000 for fiscal year 1999;

''(E) $579,000,000 for fiscal year 2000;

''(F) $478,000,000 for fiscal year 2001; and

''(G) $478,000,000 for fiscal year 2002.''.

SEC. 245. ARRIVAL CERTIFICATION.

Section 401 of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended by striking subsection (a) and inserting the following:

''(a) ARRIVAL CERTIFICATION.—With respect to a commodity provided, or for which financing or a credit guarantee or other assistance is made available, under a program authorized in section 201, 202, or 301, the Commodity Credit Corporation shall require the exporter of the commodity to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and shall allow representatives of the Commodity Credit Corporation access to the records or documents as needed, to verify the arrival of the commodity in the country that was the intended destination of the commodity.''.

SEC. 246. COMPLIANCE.

Section 402(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 247. REGULATIONS.

Section 404 of the Agricultural Trade Act of 1978 (7 U.S.C. 5664) is repealed.

SEC. 248. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

Title IV of the Agricultural Trade Act of 1978 (7 U.S.C. 5661 et seq.) is amended by adding at the end the following:

''SEC. 417. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

''(a) IN GENERAL.—Notwithstanding any other law, if, after the effective date of this section, the President or any other member of the Executive branch causes exports from the United States to any country to be unilaterally suspended for reasons of national security or foreign policy, and if within 180 days after the date on which the suspension is imposed on United States exports no other country agrees to participate in the suspension, the Secretary shall carry out a trade compensation and assistance program in accordance with this section (referred to in this section as a 'program').

''(b) PROVISION OF FUNDS.—Under a program, the Secretary shall make available for each fiscal year funds of the Commodity Credit Corporation, in an amount calculated under subsection (c), to promote agricultural exports or provide agricultural commodities to developing countries, under any authorities available to the Secretary.

''(c) DETERMINATION OF AMOUNT OF FUNDS.—For each fiscal year of a program, the amount of funds made available under subsection (b) shall be equal to 90 percent of the average annual value of United States agricultural exports to the country with respect to which exports are suspended during the most recent 3 years prior to the suspension for which data are available.

''(d) DURATION OF PROGRAM.—

''(1) IN GENERAL.—For each suspension of exports for which a program is implemented under this section, funds shall be made available under subsection (b) for each fiscal year or part of a fiscal year for which the suspension is in effect, but not to exceed 2 fiscal years.

''(2) PARTIAL-YEAR EMBARGOES.—Regardless of whether an embargo is in effect for only part of a fiscal year, the full amount of funds as calculated under subsection (c) shall be made available under a program for the fiscal year. If the Secretary determines that making the required amount of funds available in a partial fiscal year is impracticable, the Secretary may make all or part of the funds required to be made available in the partial fiscal year available in the following fiscal year (in addition to any funds otherwise required under a program to be made available in the following fiscal year).''.

SEC. 249. FOREIGN AGRICULTURAL SERVICE.

Section 503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5693) is amended to read as follows:

''SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

''The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by—

''(1) acquiring information pertaining to agricultural trade;

''(2) carrying out market promotion and development activities;

''(3) providing agricultural technical assistance and training; and

''(4) carrying out the programs authorized under this Act, the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and other Acts.''.

SEC. 250. REPORTS.

The first sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking ''The'' and inserting ''Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), the''.

Subtitle C—Miscellaneous

SEC. 251. REPORTING REQUIREMENTS RELATING TO TOBACCO.

Section 214 of the Tobacco Adjustment Act of 1983 (7 U.S.C. 509) is repealed.

SEC. 252. TRIGGERED EXPORT ENHANCEMENT.

(a) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

(b) TRIGGERED MARKETING LOANS AND EXPORT ENHANCEMENT.—Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100–418; 7 U.S.C. 1446 note) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective beginning with the 1996 crops of wheat, feed grains, upland cotton, and rice.

SEC. 253. DISPOSITION OF COMMODITIES TO PREVENT WASTE.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting after the first sentence the following: ''The Secretary may use funds of the Commodity Credit Corporation to cover administrative expenses of the programs.'';

(B) in paragraph (7)(D)(iv), by striking ''one year of acquisition'' and all that follows and inserting the following: ''a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin—

''(I) as necessary to expedite the transportation of commodities and products furnished under this subsection; or

''(II) if the proceeds are generated in a currency generally accepted in the other country.'';

(C) in paragraph (8), by striking subparagraph (C); and

(D) by striking paragraphs (10), (11), and (12); and

(2) by striking subsection (c).

SEC. 254. DIRECT SALES OF DAIRY PRODUCTS.

Section 106 of the Agriculture and Food Act of 1981 (7 U.S.C. 1446c-1) is repealed.

SEC. 255. EXPORT SALES OF DAIRY PRODUCTS.

Section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) is repealed.

SEC. 256. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) IN GENERAL.—Section 1517 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1706) is repealed.

(b) CONFORMING AMENDMENT.—Subsection (e)(3) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(e)(3)) is amended by striking ''section 106'' and inserting ''section 103''.

SEC. 257. POLICY ON EXPANSION OF INTERNATIONAL MARKETS.

Section 1207 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m) is repealed.

SEC. 258. POLICY ON MAINTENANCE AND DEVELOPMENT OF EXPORT MARKETS.

Section 1121 of the Food Security Act of 1985 (7 U.S.C. 1736p) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)—

(A) by striking ''(b)''; and

(B) by striking paragraphs (1) through (4) and inserting the following:

''(1) be the premier supplier of agricultural and food products to world markets and expand exports of high value products;

''(2) support the principle of free trade and the promotion of fair trade in agricultural commodities and products;

''(3) cooperate fully in all efforts to negotiate with foreign countries further reductions in tariff and nontariff barriers to trade, including sanitary and phytosanitary measures and trade-distorting subsidies;

''(4) aggressively counter unfair foreign trade practices as a means of encouraging fairer trade;''.

SEC. 259. POLICY ON TRADE LIBERALIZATION.

Section 1122 of the Food Security Act of 1985 (7 U.S.C. 1736q) is repealed.

SEC. 260. AGRICULTURAL TRADE NEGOTIATIONS.

Section 1123 of the Food Security Act of 1985 (7 U.S.C. 1736r) is amended to read as follows:

''SEC. 1123. TRADE NEGOTIATIONS POLICY.

''(a) FINDINGS.—Congress finds that—

''(1) on a level playing field, United States producers are the most competitive suppliers of agricultural products in the world;

''(2) exports of United States agricultural products will account for $53,000,000,000 in 1995, contributing a net $24,000,000,000 to the merchandise trade balance of the United States and supporting approximately 1,000,000 jobs;

''(3) increased agricultural exports are critical to the future of the farm, rural, and overall United States economy, but the opportunities for increased agricultural exports are limited by the unfair subsidies of the competitors of the United States, and a variety of tariff and nontariff barriers to highly competitive United States agricultural products;

''(4) international negotiations can play a key role in breaking down barriers to United States agricultural exports;

''(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States exports of agricultural products, for the first time—

''(A) restraining foreign trade-distorting domestic support and export subsidy programs; and

''(B) developing common rules for the application of sanitary and phytosanitary restrictions;

that should result in increased exports of United States agricultural products, jobs, and income growth in the United States;

''(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade distorting domestic support and export subsidies by—

''(A) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

''(B) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

''(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fairer trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

''(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products.

''(b) GOALS OF THE UNITED STATES IN AGRICULTURAL TRADE NEGOTIATIONS.—The objectives of the United States with respect to future negotiations on agricultural trade include—

''(1) increasing opportunities for United States exports of agricultural products by eliminating or substantially reducing tariff and nontariff barriers to trade;

''(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

''(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

''(4) encouraging government policies that avoid price-depressing surpluses.''.

SEC. 261. POLICY ON UNFAIR TRADE PRACTICES.

Section 1164 of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1499) is repealed.

SEC. 262. AGRICULTURAL AID AND TRADE MISSIONS.

(a) IN GENERAL.—The Agricultural Aid and Trade Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

(b) CONFORMING AMENDMENT.—Section 7 of Public Law 100–277 (7 U.S.C. 1736bb note) is repealed.

SEC. 263. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

Section 108(b)(1)(B) of the Agricultural Act of 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking ''including fruits, vegetables, legumes, popcorn, and ducks''.

SEC. 264. WORLD LIVESTOCK MARKET PRICE INFORMATION.

Section 1545 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1761 note) is repealed.

SEC. 265. ORDERLY LIQUIDATION OF STOCKS.

Sections 201 and 207 of the Agricultural Act of 1956 (7 U.S.C. 1851 and 1857) are repealed.

SEC. 266. SALES OF EXTRA LONG STAPLE COTTON.

Section 202 of the Agricultural Act of 1956 (7 U.S.C. 1852) is repealed.

SEC. 267. REGULATIONS.

Section 707 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 7 U.S.C. 5621 note) is amended by striking subsection (d).

SEC. 268. EMERGING MARKETS.

(a) PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.—

(1) EMERGING MARKETS.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended—

(A) in the section heading, by striking ''**EMERGING DEMOCRACIES**'' and inserting ''**EMERGING MARKETS**'';

(B) by striking ''emerging democracies'' each place it appears in subsections (b), (d), and (e) and inserting ''emerging markets'';

(C) by striking ''emerging democracy'' each place it appears in subsection (c) and inserting ''emerging market''; and

(D) by striking subsection (f) and inserting the following:

''(f) EMERGING MARKET.—In this section and section 1543, the term 'emerging market' means any country that the Secretary determines—

''(1) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

''(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.''.

(2) FUNDING.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking subsection (a) and inserting the following:

''(a) FUNDING.—The Commodity Credit Corporation shall make available for fiscal years 1996 through 2002 not less than $1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.''.

(3) AGRICULTURAL FELLOWSHIP PROGRAM.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(A) in subsection (b), by striking the last sentence and inserting the following: ''The Commodity Credit Corporation shall give priority under this subsection to—

''(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

''(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs.''; and

(B) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking ''the Soviet Union'' and inserting ''emerging markets'';

(ii) in paragraph (1)—

(I) in subparagraph (A)(i)—

(aa) by striking ''1995'' and inserting ''2002''; and

(bb) by striking ''those systems, and identify'' and inserting ''the systems, including potential reductions in trade barriers, and identify and carry out'';

(II) in subparagraph (B), by striking ''shall'' and inserting ''may'';

(III) in subparagraph (D), by inserting ''(including the establishment of extension services)'' after ''technical assistance'';

(IV) by striking subparagraph (F);

(V) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (F), (G), and (H), respectively; and

(VI) in subparagraph (H) (as redesignated by subclause (V)), by striking ''$10,000,000'' and inserting ''$20,000,000'';

(iii) in paragraph (2)—

(I) by striking ''the Soviet Union'' each place it appears and inserting ''emerging markets'';

(II) in subparagraph (A), by striking ''a free market food production and distribution system'' and inserting ''free market food production and distribution systems'';

(III) in subparagraph (B)—

(aa) in clause (i), by striking ''Government'' and inserting ''governments'';

(bb) in clause (iii)(II), by striking ''and'' at the end;

(cc) in clause (iii)(III), by striking the period at the end and inserting ''; and''; and

(dd) by adding at the end of clause (iii) the following:

''(IV) to provide for the exchange of administrators and faculty members from agricultural and other institutions to strengthen and revise educational programs in agricultural economics, agribusiness, and agrarian law, to support change towards a free market economy in emerging markets.'';

(IV) by striking subparagraph (D); and

(V) by redesignating subparagraph (E) as subparagraph (D); and

(iv) by striking paragraph (3).

(4) UNITED STATES AGRICULTURAL COMMODITY.—Subsections (b) and (c) of section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 are amended by striking ''section 101(6)'' each place it appears and inserting ''section 102(7)''.

(5) REPORT.—The first sentence of section 1542(e)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking ''Not'' and inserting ''Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), not''.

(b) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(1) in the section heading, by striking ''**MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES**'' and inserting ''**MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS**'';

(2) in subsection (b), by adding at the end the following:

''(5) EMERGING MARKET.—Any emerging market, as defined in section 1542(f).''; and

(3) in subsection (c)(1), by striking ''food needs'' and inserting ''food and fiber needs''.

(c) CONFORMING AMENDMENTS.—

(1) Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(A) in subsection (a), by striking ''emerging democracies'' and inserting ''emerging markets''; and

(B) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) EMERGING MARKET.—The term 'emerging market' means any country that the Secretary determines—

''(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

''(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.''.

(2) Section 201(d)(1)(C)(ii) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is amended by striking ''emerging democracies'' and inserting ''emerging markets''.

(3) Section 202(d)(3)(B) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is amended by striking ''emerging democracies'' and inserting ''emerging markets''.

SEC. 269. IMPORT ASSISTANCE FOR CBI BENEFICIARY COUNTRIES AND THE PHILIPPINES.

Section 583 of Public Law 100–202 (101 Stat. 1329–182) is repealed.

SEC. 270. STUDIES, REPORTS, AND OTHER PROVISIONS.

(a) IN GENERAL.—Sections 1551 through 1555, section 1559, and section 1560 of subtitle E of title XV of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3696) are repealed.

(b) LANGUAGE PROFICIENCY.—Section 1556 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5694 note) is amended by striking subsection (c).

SEC. 271. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

Part III of subtitle A of title IV of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4964) is amended by adding at the end the following:

''SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

''Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round Agreement on Agriculture are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall—

''(1) submit to the United States Trade Representative a recommendation as to whether the President should take action under any provision of law; and

''(2) transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.''.

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidized by the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

SEC. 273. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

''TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

''SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

''In this title, the term 'eligible trade organization' means a United States trade organization that—

''(1) promotes the export of 1 or more United States agricultural commodities or products; and

''(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

''SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

''(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

''(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

''(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

''(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

''SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.''.

SEC. 274. PRICE SUPPORT FOR RICE.

Section 101 of the Agricultural Act of 1949 is amended by adding a subsection (e) that reads as follows:

''(e) RICE.—The Secretary shall make available to producers of each crop of rice on a farm price support at a level that is not less than 50%, or more than 90% of the parity price for rice as the Secretary determines will not result in increasing stocks of rice to the Commodity Credit Corporation.''.

TITLE III—CONSERVATION

Subtitle A—Definitions

SEC. 301. DEFINITIONS.

Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended—

(1) by redesignating paragraphs (3) through (16) as paragraphs (4) through (17), respectively; and

(2) by inserting after paragraph (2) the following:

''(3) CONSERVATION SYSTEM.—The term 'conservation system' means the conservation measures and practices that are approved for application by a producer to a highly erodible field and that provide for cost effective and practical erosion reduction on the field based on local resource conditions and standards contained in the Natural Resources Conservation Service field office technical guide.''.

Subtitle B—Environmental Conservation Acreage Reserve Program

SEC. 311. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

''SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

''(2) MEANS.—The Secretary shall carry out the ECARP by—

''(A) providing for the long-term protection of environmentally sensitive land; and

''(B) providing technical and financial assistance to farmers and ranchers to—

''(i) improve the management and operation of the farms and ranches; and

''(ii) reconcile productivity and profitability with protection and enhancement of the environment.

''(3) PROGRAMS.—The ECARP shall consist of—

''(A) the conservation reserve program established under subchapter B;

''(B) the wetlands reserve program established under subchapter C;

''(C) the environmental quality incentives program established under chapter 4; and

''(D) a farmland protection program under which the Secretary shall use funds of the Commodity Credit Corporation for the purchase of conservation easements or other interests in not less than 170,000, nor more than 340,000, acres of land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government for the purpose of protecting topsoil by limiting nonagricultural uses of the land, except that any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses. In no case shall total expenditures of funding from the Commodity Credit Corporation exceed a total of $35,000,000 over the first 3 and subsequent fiscal years.

''(b) ADMINISTRATION.—

''(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

''(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

''(c) CONSERVATION PRIORITY AREAS.—

''(1) DESIGNATION.—

''(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, the Rainwater Basin Region, the Lake Champlain Basin, the Prairie Pothole Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 4.

''(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary, and an application is made by—

''(i) a State agency in consultation with the State technical committee established under section 1261; or

''(ii) State agencies from several States that agree to form an interstate conservation priority area.

''(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws.

''(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, and related natural resource problems related to agricultural production activities within the watershed or region.

''(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

''(A) redesignate the area as a conservation priority area; or

''(B) withdraw the designation of a watershed or region if the Secretary determines the area is no longer affected by significant soil,water, and related natural resource impacts related to agricultural production activities.''.

SEC. 312. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking ''1995'' each place it appears and inserting ''2002''; and

(2) in subsection (d), by striking ''38,000,000'' and inserting ''36,520,000''.

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking ''1995'' and inserting ''2002''.

(c) RELATIONSHIP TO OTHER LAW.—The authority granted to the Secretary of Agriculture as a result of the amendments made by this section shall supersede any restriction on the operation of the conservation reserve program established under any other provision of law.

SEC. 313. WETLANDS RESERVE PROGRAM.

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking ''to assist owners of eligible lands in restoring and protecting wetlands'' and inserting ''to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights''.

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

''(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

''(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

''(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in 30-year easements, and ⅓ of the acres in restoration cost-share agreements.''.

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking ''2000'' and inserting ''2002''; and

(2) by inserting ''the land maximizes wildlife benefits and wetland values and functions and'' after ''determines that''.

(d) OTHER ELIGIBLE LANDS.—Section 1237(d) (16 U.S.C. 3837(d)) is amended by inserting after ''subsection (c)'' the following '', land that maximizes wildlife benefits and that is''.

(e) EASEMENTS.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in the section heading, by inserting before the period at the end the following: ''**AND AGREEMENTS**'';

(2) by striking subsection (c) and inserting the following:

''(c) RESTORATION PLANS.—The development of a restoration plan, including any compatible use, under this section shall be made through the local Natural Resources Conservation Service representative, in consultation with the State technical committee.'';

(3) in subsection (f), by striking the third sentence and inserting the following: ''Compensation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary.''; and

(4) by adding at the end the following:

''(h) COST SHARE AGREEMENTS.—The Secretary may enroll land into the wetland reserve through agreements that require the landowner to restore wetlands on the land, if the agreement does not provide the Secretary with an easement.''.

(f) COST SHARE AND TECHNICAL ASSISTANCE.—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (b) and inserting the following:

''(b) COST SHARE AND TECHNICAL ASSISTANCE.—In the case of an easement entered into during the 1996 through 2002 calendar years, in making cost share payments under subsection (a)(1), the Secretary shall—

''(1) in the case of a permanent easement, pay the owner an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs;

''(2) in the case of a 30-year easement or a cost-share agreement, pay the owner an

amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs; and

''(3) provide owners technical assistance to assist landowners in complying with the terms of easements and agreements.''.

SEC. 314. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

''CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

''SEC. 1238. FINDINGS AND PURPOSES.

''(a) FINDINGS.—Congress finds that—

''(1) farmers and ranchers cumulatively manage more than ½ of the private lands in the continental United States;

''(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;

''(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;

''(4) it is in the interest of the entire United States that farmers and ranchers continue to strive to preserve soil resources and make more efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;

''(5) environmental strategies that stress the prudent management of resources, as opposed to idling land, will permit the maximum economic opportunities for farmers and ranchers in the future;

''(6) unnecessary bureaucratic and paperwork barriers associated with existing agricultural conservation assistance programs decrease the potential effectiveness of the programs; and

''(7) the recent trend of Federal spending on agricultural conservation programs suggests that assistance to farmers and ranchers in future years will, absent changes in policy, dwindle to perilously low levels.

''(b) PURPOSES.—The purposes of the environmental quality incentives program established by this chapter are to—

''(1) combine into a single program the functions of—

''(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996);

''(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 355(b)(1) of the Agricultural Reform and Improvement Act of 1996); and

''(C) the water quality incentives program established under chapter 2 (as in effect before the amendment made by section 355(k) of the Agricultural Reform and Improvement Act of 1996); and

''(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 355(c)(1) of the Agricultural Reform and Improvement Act of 1996); and

''(2) carry out the single program in a manner that maximizes environmental benefits per dollar expended, and that provides—

''(A) flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;

''(B) assistance to farmers and ranchers in complying with this title and Federal and State environmental laws, and to encourage environmental enhancement;

''(C) assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

''(D) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on the owners and operators of farms and ranches.

''SEC. 1238A. DEFINITIONS.

''In this chapter:

''(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

''(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

''(A) is a confined animal feeding operation; and

''(B) has more than—

''(i) 700 mature dairy cattle;

''(ii) 1,000 beef cattle;

''(iii) 100,000 laying hens or broilers;

''(iv) 55,000 turkeys;

''(v) 2,500 swine; or

''(vi) 10,000 sheep or lambs.

''(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

''(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

''(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

''SEC. 1238B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During the 1996 through 2002 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments, education to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

''(2) ELIGIBLE PRACTICES.—

''(A) STRUCTURAL PRACTICES.—An operator who implements a structural practice shall be eligible for technical assistance or cost-sharing payments, education or both.

''(B) LAND MANAGEMENT PRACTICES.—An operator who performs a land management practice shall be eligible for technical assistance or incentive payments, education or both.

''(b) APPLICATION AND TERM.—A contract between an operator and the Secretary under this chapter may—

''(1) apply to 1 or more structural practices or 1 or more land management practices, or both; and

''(2) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

''(c) STRUCTURAL PRACTICES.—

''(1) COMPETITIVE OFFER.—The Secretary shall administer a competitive offer system for operators proposing to receive cost-sharing payments in exchange for the implementation of 1 or more structural practices by the operator. The competitive offer system shall consist of—

''(A) the submission of a competitive offer by the operator in such manner as the Secretary may prescribe; and

''(B) evaluation of the offer in light of the priorities established in section 1238C and the projected cost of the proposal, as determined by the Secretary.

''(2) CONCURRENCE OF OWNER.—If the operator making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the operator shall obtain the concurrence of the owner of the land with respect to the offer.

''(d) LAND MANAGEMENT PRACTICES.—The Secretary shall establish an application and evaluation process for awarding technical assistance or incentive payments, or both, to an operator in exchange for the performance of 1 or more land management practices by the operator.

''(e) COST-SHARING AND INCENTIVE PAYMENTS.—

''(1) COST-SHARING PAYMENTS.—

''(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

''(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

''(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

''(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

''(f) TECHNICAL ASSISTANCE.—

''(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

''(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

''(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

''(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with an operator under this chapter if—

''(A) the operator agrees to the modification or termination; and

''(B) the Secretary determines that the modification or termination is in the public interest.

''(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the operator violated the contract.

''(h) NON-FEDERAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary may request the services of a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or private resource considered appropriate to assist in providing the technical assistance necessary for the development and implementation of a structural practice or land management practice.

''(2) LIMITATION ON LIABILITY.—No person shall be permitted to bring or pursue any claim or action against any official or entity based on or resulting from any technical assistance provided to an operator under this chapter to assist in complying with a Federal or State environmental law.

''SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

''(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

''(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

''(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

''(2) NATIONAL AND REGIONAL PRIORITY.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

''(3) CRITERIA.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.

''(c) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

''(d) PRIORITY LANDS.—The Secretary shall accord a higher priority to structural practices or land management practices on lands on which agricultural production has been determined to contribute to, or create, the potential for failure to meet applicable water quality standards or other environmental objectives of a Federal or State law.

''SEC. 1238D. DUTIES OF OPERATORS.

''To receive technical assistance, cost-sharing payments, or incentives payments under this chapter, an operator shall agree—

''(1) to implement an environmental quality incentives program plan that describes conservation and environmental goals to be achieved through a structural practice or land management practice, or both, that is approved by the Secretary;

''(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;

''(3) on the violation of a term or condition of the contract at any time the operator has control of the land, to refund any cost-sharing or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

''(4) on the transfer of the right and interest of the operator in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-sharing payments and incentive payments received under this chapter, as determined by the Secretary;

''(5) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

''(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

''SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

''An environmental quality incentives program plan shall include (as determined by the Secretary)—

''(1) a description of the prevailing farm or ranch enterprises, cropping patterns, grazing management, cultural practices, or other information that may be relevant to conserving and enhancing soil, water, and related natural resources;

''(2) a description of relevant farm or ranch resources, including soil characteristics, rangeland types and condition, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

''(3) a description of specific conservation and environmental objectives to be achieved;

''(4) to the extent practicable, specific, quantitative goals for achieving the conservation and environmental objectives;

''(5) a description of 1 or more structural practices or 1 or more land management practices, or both, to be implemented to achieve the conservation and environmental objectives;

''(6) a description of the timing and sequence for implementing the structural practices or land management practices, or both, that will assist the operator in complying with Federal and State environmental laws; and

''(7) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

''(8) Not withstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share or pilot project programs that require plans.

''SEC. 1238F. DUTIES OF THE SECRETARY.

''To the extent appropriate, the Secretary shall assist an operator in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

''(1) providing an eligibility assessment of the farming or ranching operation of the operator as a basis for developing the plan;

''(2) providing technical assistance in developing and implementing the plan;

''(3) providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;

''(4) providing the operator with information, education, and training to aid in implementation of the plan; and

''(5) encouraging the operator to obtain technical assistance, cost-sharing payments, or grants from other Federal, State, local, or private sources.

''SEC. 1238G. ELIGIBLE LANDS.

''Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include—

''(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards;

''(2) an area that is considered to be critical agricultural land on which either crop or livestock production is carried out, as identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from an agricultural nonpoint source of pollution;

''(3) an area recommended by a State lead agency for protection of soil, water, and related resources, as designated by a Governor of a State; and

''(4) land that is not located within a designated or approved area, but that if permitted to continue to be operated under existing management practices, would defeat the purpose of the environmental quality incentives program, as determined by the Secretary.

''SEC. 1238H. LIMITATIONS ON PAYMENTS.

''(a) PAYMENTS.—The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

''(1) $10,000 for any fiscal year; or

''(2) $50,000 for any multiyear contract.

''(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

''(1) defining the term 'person' as used in subsection (a); and

''(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).''.

Subtitle C—Conservation Funding

SEC. 321. CONSERVATION FUNDING.

(a) IN GENERAL.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

''Subtitle E—Funding

''SEC. 1241. FUNDING.

''(a) MANDATORY EXPENSES.—For each of fiscal years 1996 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

''(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note));

''(2) subchapter C of chapter 1 of subtitle D; and

''(3) chapter 4 of subtitle D.

''(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

''(1) IN GENERAL.—For each of fiscal years 1996 through 2002, $200,000,000 of the funds of the Commodity Credit Corporation shall be available for providing technical assistance,

cost-sharing payments, and incentive payments under the environmental quality incentives program under chapter 4 of subtitle D.

''(2) LIVESTOCK PRODUCTION.—For each of fiscal years 1996 through 2002, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.

''(c) ADVANCE APPROPRIATIONS TO CCC.—The Secretary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation unless the Corporation has received funds to cover the expenditures from appropriations made available to carry out chapter 3 of subtitle D.

''SEC. 1242. ADMINISTRATION.

''(a) PLANS.—The Secretary shall, to the extent practicable, avoid duplication in—

''(1) the conservation plans required for—

''(A) highly erodible land conservation under subtitle B;

''(B) the conservation reserve program established under subchapter B of chapter 1 of subtitle D; and

''(C) the wetlands reserve program established under subchapter C of chapter 1 of subtitle D; and

''(2) the environmental quality incentives program established under chapter 4 of subtitle D.

''(b) ACREAGE LIMITATION.—

''(1) IN GENERAL.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D. Not more than 10 percent of the cropland in a county may be subject to an easement acquired under the subchapters.

''(2) EXCEPTION.—The Secretary may exceed the limitations in paragraph (1) if the Secretary determines that—

''(A) the action would not adversely affect the local economy of a county; and

''(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.

''(3) SHELTERBELTS AND WINDBREAKS.—The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or 3 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

''(c) TENANT PROTECTION.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under subtitles B through D.

''(d) REGULATIONS.—Not later than 90 days after the effective date of this subsection, the Secretary shall issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 1 of subtitle D.''.

Subtitle D—National Natural Resources Conservation Foundation

SEC. 331. SHORT TITLE.

This subtitle may be cited as the ''National Natural Resources Conservation Foundation Act''.

SEC. 332. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term ''Board'' means the Board of Trustees established under section 334.

(2) DEPARTMENT.—The term ''Department'' means the United States Department of Agriculture.

(3) FOUNDATION.—The term ''Foundation'' means the National Natural Resources Conservation Foundation established by section 333(a).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

SEC. 333. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) ESTABLISHMENT.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b). The Foundation is not an agency or instrumentality of the United States.

(b) PURPOSES.—The purposes of the Foundation are to—

(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;

(2) promote voluntary partnerships between government and private interests in the conservation of natural resources;

(3) conduct research and undertake educational activities, conduct and support demonstration projects, and make grants to State and local agencies and nonprofit organizations;

(4) provide such other leadership and support as may be necessary to address conservation challenges, such as the prevention of excessive soil erosion, enhancement of soil and water quality, and the protection of wetlands, wildlife habitat, and strategically important farmland subject to urban conversion and fragmentation;

(5) encourage, accept, and administer private gifts of money and real and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;

(6) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, except that the Foundation may not enforce or administer a regulation of the Department; and

(7) raise private funds to promote the purposes of the Foundation.

(c) LIMITATIONS AND CONFLICTS OF INTERESTS.—

(1) POLITICAL ACTIVITIES.—The Foundation shall not participate or intervene in a political campaign on behalf of any candidate for public office.

(2) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, organization, or other person in which the director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(3) LEGISLATION OR GOVERNMENT ACTION OR POLICY.—No funds of the Foundation may be used in any manner for the purpose of influencing legislation or government action or policy.

(4) LITIGATION.—No funds of the Foundation may be used to bring or join an action against the United States or any State.

SEC. 334. COMPOSITION AND OPERATION.

(a) COMPOSITION.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

(1) individuals with expertise in agricultural conservation policy matters;

(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;

(3) a representative of statewide conservation organizations;

(4) a representative of soil and water conservation districts;

(5) a representative of organizations outside the Federal Government that are dedicated to natural resources conservation education; and

(6) a farmer or rancher.

(b) NONGOVERNMENTAL EMPLOYEES.—Service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

(c) MEMBERSHIP.—

(1) INITIAL MEMBERS.—The Secretary shall appoint 9 persons who meet the criteria established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.

(2) TERMS OF OFFICE.—

(A) IN GENERAL.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(3) SUBSEQUENT MEMBERS.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual, who is not a Federal officer or a member of the Board.

(d) CHAIRPERSON.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

(e) VACANCIES.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

(f) COMPENSATION.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

(g) TRAVEL EXPENSES.—While away from the home or regular place of business of a member of the Board in the performance of services for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service would be allowed under section 5703 of title 5, United States Code.

SEC. 335. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—The Board may—

(1) appoint, hire, and discharge the officers and employees of the Foundation, other than the appointment of the initial Executive Director of the Foundation;

(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of the Foundation and this subtitle; and

(3) undertake any other activities that may be necessary to carry out this subtitle.

(b) OFFICERS AND EMPLOYEES.—

(1) APPOINTMENT AND HIRING.—An officer or employee of the Foundation—

(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered a Federal employee for any purpose, including the provisions of title 5, United States Code, governing appointments in the competitive service, except that such an individual may participate in the Federal employee retirement system as if the individual were a Federal employee; and

(B) may not be paid by the Foundation a salary in excess of $125,000 per year.

(2) EXECUTIVE DIRECTOR.—

(A) INITIAL DIRECTOR.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(B) SUBSEQUENT DIRECTORS.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(C) QUALIFICATIONS.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation.

SEC. 336. CORPORATE POWERS AND OBLIGATIONS OF THE FOUNDATION.

(a) IN GENERAL.—The Foundation—

(1) may conduct business throughout the United States and the territories and possessions of the United States; and

(2) shall at all times maintain a designated agent who is authorized to accept service of process for the Foundation, so that the serving of notice to, or service of process on, the agent, or mailed to the business address of the agent, shall be considered as service on or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board that shall be judicially noticed.

(c) POWERS.—To carry out the purposes of the Foundation under section 333(b), the Foundation shall have, in addition to the powers otherwise provided under this subtitle, the usual powers of a corporation, including the power—

(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income from, or other interest in, the gift, devise, or bequest;

(2) to acquire by purchase or exchange any real or personal property or interest in property, except that funds provided under section 310 may not be used to purchase an interest in real property;

(3) unless otherwise required by instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income from property;

(4) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 339, except that the aggregate amount of the borrowing and debt instruments outstanding at any time may not exceed $1,000,000;

(5) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence;

(6) to enter into a contract or other agreement with an agency of State or local government, educational institution, or other private organization or person and to make such payments as may be necessary to carry out the functions of the Foundation; and

(7) to do any and all acts that are necessary to carry out the purposes of the Foundation.

(d) INTEREST IN PROPERTY.—

(1) IN GENERAL.—The Foundation may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange.

(2) INTERESTS IN REAL PROPERTY.—For purposes of this subtitle, an interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

(3) GIFTS.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is encumbered, restricted, or subject to a beneficial interest of a private person if any current or future interest in the gift, devise, or bequest is for the benefit of the Foundation.

SEC. 337. ADMINISTRATIVE SERVICES AND SUPPORT.

For each of fiscal years 1996 through 1998, the Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

SEC. 338. AUDITS AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—

(1) IN GENERAL.—The accounts of the Foundation shall be audited in accordance with Public Law 88–504 (36 U.S.C. 1101 et seq.), including an audit of lobbying and litigation activities carried out by the Foundation.

(2) CONFORMING AMENDMENT.—The first section of Public Law 88–504 (36 U.S.C. 1101) is amended by adding at the end the following:

''(77) The National Natural Resources Conservation Foundation.''.

(b) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this subtitle; or

(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this subtitle.

SEC. 339. RELEASE FROM LIABILITY.

(a) IN GENERAL.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

(b) STATEMENT.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by the United States (or an agency or instrumentality of the United States).

SEC. 340. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department to be made available to the Foundation $1,000,000 for each of fiscal years 1997 through 1999 to initially establish and carry out activities of the Foundation.

Subtitle E—Miscellaneous

SEC. 351. FLOOD RISK REDUCTION.

(a) IN GENERAL.—During fiscal years 1996 through 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') may enter into a contract with contract acreage under title I on a farm with land that is frequently flooded.

(b) DUTIES OF PRODUCERS.—Under the terms of the contract, with respect to acres that are subject to the contract, the producer must agree to—

(1) the termination of any contract acreage;

(2) forgo loans for contract commodities, oilseeds, and extra long staple cotton;

(3) not apply for crop insurance issued or reinsured by the Secretary;

(4) comply with applicable wetlands and high erodible land conservation compliance requirements established under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

(5) not apply for any conservation program payments from the Secretary;

(6) not apply for disaster program benefits provided by the Secretary; and

(7) refund the payments, with interest, issued under the flood risk reduction contract to the Secretary, if the producer violates the terms of the contract or if the producer transfers the property to another person who violates the contract.

(c) DUTIES OF SECRETARY.—In return for a flood risk reduction contract entered into by a producer under this section, the Secretary shall agree to pay the producer for the 1996 through 2002 crops not more than 95 percent of the projected contract payments under title I, and not more than 95 percent of the projected payments and subsidies from the Federal Crop Insurance Corporation.

(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 352. FORESTRY.

(a) FORESTRY INCENTIVES PROGRAM.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking subsection (k).

(b) OFFICE OF INTERNATIONAL FORESTRY.—Section 2405 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704) is amended by adding at the end the following:

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized each fiscal year such sums as are necessary to carry out this section.''.

SEC. 353. STATE TECHNICAL COMMITTEES.

Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(9) agricultural producers;

''(10) other nonprofit organizations with demonstrable expertise;

''(11) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

''(12) agribusiness.''.

SEC. 354. CONSERVATION OF PRIVATE GRAZING LAND.

(a) FINDINGS.—Congress finds that—

(1) privately owned grazing land constitutes nearly ½ of the non-Federal land of the United States and is basic to the environmental, social, and economic stability of rural communities;

(2) privately owned grazing land contains a complex set of interactions among soil, water, air, plants, and animals;

(3) grazing land constitutes the single largest watershed cover type in the United States and contributes significantly to the quality and quantity of water available for all of the many uses of the land;

(4) private grazing land constitutes the most extensive wildlife habitat in the United States;

(5) private grazing land can provide opportunities for improved nutrient management from land application of animal manures and other by-product nutrient resources;

(6) owners and managers of private grazing land need to continue to recognize conservation problems when the problems arise and

receive sound technical assistance to improve or conserve grazing land resources to meet ecological and economic demands;

(7) new science and technology must continually be made available in a practical manner so owners and managers of private grazing land may make informed decisions concerning vital grazing land resources;

(8) agencies of the Department of Agriculture with private grazing land responsibilities are the agencies that have the expertise and experience to provide technical assistance, education, and research to owners and managers of private grazing land for the long-term productivity and ecological health of grazing land;

(9) although competing demands on private grazing land resources are greater than ever before, assistance to private owners and managers of private grazing land is currently limited and does not meet the demand and basic need for adequately sustaining or enhancing the private grazing lands resources; and

(10) privately owned grazing land can be enhanced to provide many benefits to all Americans through voluntary cooperation among owners and managers of the land, local conservation districts, and the agencies of the Department of Agriculture responsible for providing assistance to owners and managers of land and to conservation districts.

(b) PURPOSE.—It is the purpose of this section to authorize the Secretary of Agriculture to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

(3) conserving and improving wildlife habitat on private grazing land;

(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

(5) protecting and improving water quality;

(6) improving the dependability and consistency of water supplies;

(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

(c) DEFINITIONS.—In this section:

(1) PRIVATE GRAZING LAND.—The term ''private grazing land'' means privately owned, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, grazed forest land, and hay land.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Natural Resources Conservation Service.

(d) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;

(B) implementing grazing land management technologies;

(C) managing resources on private grazing land, including—

(i) planning, managing, and treating private grazing land resources;

(ii) ensuring the long-term sustainability of private grazing land resources;

(iii) harvesting, processing, and marketing private grazing land resources; and

(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

(D) protecting and improving the quality and quantity of water yields from private grazing land;

(E) maintaining and improving wildlife and fish habitat on private grazing land;

(F) enhancing recreational opportunities on private grazing land;

(G) maintaining and improving the aesthetic character of private grazing lands; and

(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises.

(2) PROGRAM ELEMENTS.—

(A) FUNDING.—The program under paragraph (1) shall be funded through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

(e) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

(1) FINDINGS.—Congress finds that—

(A) there is a severe lack of technical assistance for grazing producers;

(B) the Federal budget precludes any significant expansion, and may force a reduction of, current levels of technical support; and

(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—The Secretary may establish 2 grazing management demonstration districts at the recommendation of the Grazing Lands Conservation Initiative Steering Committee.

(3) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established.

(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable;

(ii) will promote sound grazing practices; and

(iii) contains provisions similar to the provisions contained in the promotion orders in effect on the effective date of this section.

(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of a petition by farmers or ranchers.

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $20,000,000 for fiscal year 1996;

(2) $40,000,000 for fiscal year 1997; and

(3) $60,000,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 355. CONFORMING AMENDMENTS.

(a) AGRICULTURAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—

(A) Section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h) is amended—

(i) in subsection (b)—

(I) by striking paragraphs (1) through (4) and inserting the following:

''(1) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—The Secretary shall provide technical assistance, cost share payments, and incentive payments to operators through the environmental quality incentives program in accordance with chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).''; and

(II) by striking paragraphs (6) through (8); and

(ii) by striking subsections (d), (e), and (f).

(B) The first sentence of section 11 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590k) is amended by striking ''performance: *Provided further,*'' and all that follows through ''or other law'' and inserting ''performance''.

(C) Section 14 of the Act (16 U.S.C. 590n) is amended—

(i) in the first sentence, by striking ''or 8''; and

(ii) by striking the second sentence.

(D) Section 15 of the Act (16 U.S.C. 590o) is amended—

(i) in the first undesignated paragraph—

(I) in the first sentence, by striking ''sections 7 and 8'' and inserting ''section 7''; and

(II) by striking the third sentence; and

(ii) by striking the second undesignated paragraph.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of the last proviso of the matter under the heading ''CONSERVATION RESERVE PROGRAM'' under the heading ''SOIL BANK PROGRAMS'' of title I of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959 (72 Stat. 195; 7 U.S.C. 1831a) is amended by striking ''Agricultural Conservation Program'' and inserting ''environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)''.

(B) Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking ''as added by the Agriculture and Consumer Protection Act of 1973'' each place it appears in subsections (d) and (i) and inserting ''as in effect before the amendment made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996''.

(C) Section 226(b)(4) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6932(b)(4)) is amended by striking ''and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)''.

(D) Section 246(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking ''and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)''.

(E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking ''Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l, or 590p)'' and inserting ''environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)''.

(F) Section 126(a)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

''(5) The environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).''.

(G) Section 304(a) of the Lake Champlain Special Designation Act of 1990 (Public Law 101–596; 33 U.S.C. 1270 note) is amended—

(i) in the subsection heading, by striking ''SPECIAL PROJECT AREA UNDER THE AGRICULTURAL CONSERVATION PROGRAM'' and inserting ''A PRIORITY AREA UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM''; and

(ii) in paragraph (1), by striking ''special project area under the Agricultural Conservation Program established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))'' and inserting ''priority area under the environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)''.

(H) Section 6 of the Department of Agriculture Organic Act of 1956 (70 Stat. 1033) is amended by striking subsection (b).

(b) GREAT PLAINS CONSERVATION PROGRAM.—

(1) ELIMINATION.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The Agricultural Adjustment Act of 1938 is amended by striking ''Great Plains program'' each place it appears in sections 344(f)(8) and 377 (7 U.S.C. 1344(f)(8) and 1377) and inserting ''environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)''.

(B) Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (2).

(C) Section 126(a) of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (6); and

(ii) by redesignating paragraphs (7) through (10) as paragraphs (6) through (9), respectively.

(c) COLORADO RIVER BASIN SALINITY CONTROL PROGRAM.—

(1) ELIMINATION.—Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (6).

(d) RURAL ENVIRONMENTAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—Title X of the Agricultural Act of 1970 (16 U.S.C. 1501 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

(e) OTHER CONSERVATION PROVISIONS.—Subtitle F of title XII of the Food Security Act of 1985 (16 U.S.C. 2005a and 2101 note) is repealed.

(f) COMMODITY CREDIT CORPORATION CHARTER ACT.—Section 5(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(g)) is amended to read as follows:

''(g) Carry out conservation functions and programs.''.

(g) RESOURCE CONSERVATION.—

(1) ELIMINATION.—Subtitles A, B, D, E, F, G, and J of title XV of the Agriculture and Food Act of 1981 (95 Stat. 1328; 16 U.S.C. 3401 et seq.) are repealed.

(2) CONFORMING AMENDMENT.—Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1982 (7 U.S.C. 2272a), is repealed.

(h) ENVIRONMENTAL EASEMENT PROGRAM.—Section 1239(a) of the Food Security Act of 1985 (16 U.S.C. 3839(a)) is amended by striking ''1991 through 1995'' and inserting ''1996 through 2002''.

(i) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking ''1991 through 1995'' and inserting ''1996 through 2002''.

(j) TECHNICAL AMENDMENT.—The first sentence of the matter under the heading ''Commodity Credit Corporation'' of Public Law 99–263 (100 Stat. 59; 16 U.S.C. 3841 note) is amended by striking '': Provided further,'' and all that follows through ''Acts''.

(k) AGRICULTURAL WATER QUALITY INCENTIVES PROGRAM.—Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is repealed.

SEC. 356. WATER BANK PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended by adding at the end the following:

''(d) WATER BANK PROGRAM.—For purposes of this Act, acreage enrolled, prior to the date of enactment of this subsection, in the water bank program authorized by the Water Bank Act (16 U.S.C. 1301 et seq.) shall be considered to have been enrolled in the conservation reserve program on the date the acreage was enrolled in the water bank program. Payments shall continue at the existing water bank rates.''.

SEC. 357. FLOOD WATER RETENTION PILOT PROJECTS.

Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is amended by adding at the end the following:

''(l) FLOOD WATER RETENTION PILOT PROJECTS.—

''(1) IN GENERAL.—In cooperation with States, the Secretary shall carry out at least 1 but not more than 2 pilot projects to create and restore natural water retention areas to control storm water and snow melt runoff within closed drainage systems.

''(2) PRACTICES.—To carry out paragraph (1), the Secretary shall provide cost-sharing and technical assistance for the establishment of nonstructural landscape management practices, including agricultural tillage practices and restoration, enhancement, and creation of wetland characteristics.

''(3) FUNDING.—

''(A) LIMITATION.—The funding used by the Secretary to carry out this subsection shall not exceed $10,000,000 per project.

''(B) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subsection.

''(4) ADDITIONAL PILOT PROJECTS.—

''(A) EVALUATION.—Not later than 2 years after a pilot project is implemented, the Secretary shall evaluate the extent to which the project has reduced or may reduce Federal outlays for emergency spending and unplanned infrastructure maintenance by an amount that exceeds the Federal cost of the project.

''(B) ADDITIONAL PROJECTS.—If the Secretary determines that pilot projects carried out under this subsection have reduced or may reduce Federal outlays as described in subparagraph (A), the Secretary may carry out, in accordance with this subsection, pilot projects in addition to the projects authorized under paragraph (1).''.

SEC. 358. WETLAND CONSERVATION EXEMPTION.

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end; and

(2) by adding at the end the following:

''(E) converted wetland, if—

''(i) the extent of the conversion is limited to the reversion to conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of a voluntary wetland restoration, enhancement, or creation action;

''(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

''(iii) the conversion action proposed by the private landowner is approved by the Natural Resources Conservation Service prior to implementation; or''.

SEC. 359. FLOODPLAIN EASEMENTS.

Section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) is amended by inserting '', including the purchase of floodplain easements,'' after ''emergency measures''.

SEC. 360. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM REAUTHORIZATION.

Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking ''1991 through 1995'' and inserting ''1996 through 2001''.

SEC. 361. CONSERVATION RESERVE NEW ACREAGE.

Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by adding at the end the following: ''The Secretary may enter into 1 or more new contracts to enroll acreage in a quantity equal to the quantity of acreage covered by any contract that terminates after the date of enactment of the Agricultural Market Transition Act.''.

SEC. 362. REPEAL OF REPORT REQUIREMENT.

Section 1342 of title 44, United States Code, is repealed.

SEC. 363. WATERSHED PROTECTION AND FLOOD PREVENTION ACT AMENDMENTS.

(a) DECLARATION OF POLICY.—The first section of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001) is amended to read as follows:

''SECTION 1. DECLARATION OF POLICY.

''Erosion, flooding, sedimentation, and loss of natural habitats in the watersheds and waterways of the United States cause loss of life, damage to property, and a reduction in the quality of environment and life of citizens. It is therefore the sense of Congress that the Federal Government should join with States and their political subdivisions, public agencies, conservation districts, flood prevention or control districts, local citizens organizations, and Indian tribes for the purpose of conserving, protecting, restoring, and improving the land and water resources of the United States and the quality of the environment and life for watershed residents across the United States.''.

(b) DEFINITIONS.—

(1) WORKS OF IMPROVEMENT.—Section 2 of the Act (16 U.S.C. 1002) is amended, with respect to the term ''works of improvement''—

(A) in paragraph (1), by inserting ''nonstructural,'' after ''structural'';

(B) in paragraph (2), by striking ''or'' at the end;

(C) by redesignating paragraph (3) as paragraph (11);

(D) by inserting after paragraph (2) the following new paragraphs:

''(3) a land treatment or other nonstructural practice, including the acquisition of easements or real property rights, to meet multiple watershed needs,

''(4) the restoration and monitoring of the chemical, biological, and physical structure, diversity, and functions of waterways and their associated ecological systems,

''(5) the restoration or establishment of wetland and riparian environments as part of a multi-objective management system that provides floodwater or storm water storage, detention, and attenuation, nutrient filtering, fish and wildlife habitat, and enhanced biological diversity,

''(6) the restoration of steam channel forms, functions, and diversity using the principles of biotechnical slope stabilization to reestablish a meandering, bankfull flow channels, riparian vegetation, and floodplains,

''(7) the establishment and acquisition of multi-objective riparian and adjacent flood prone lands, including greenways, for sediment storage and floodwater storage,

''(8) the protection, restoration, enhancement and monitoring of surface and groundwater quality, including measures to improve the quality of water emanating from agricultural lands and facilities,

''(9) the provision of water supply and municipal and industrial water supply for rural communities having a population of less than 55,000, according to the most recent decennial census of the United States,

''(10) outreach to and organization of local citizen organizations to participate in project design and implementation, and the training of project volunteers and participants in restoration and monitoring techniques, or''; and

(E) in paragraph (11) (as so redesignated)—

(i) by inserting in the first sentence after ''proper utilization of land'' the following: '', water, and related resources''; and

(ii) by striking the sentence that mandates that 20 percent of total project benefits be directly related to agriculture.

(2) LOCAL ORGANIZATION.—Such section is further amended, with respect to the term ''local organization'', by adding at the end the following new sentence: ''The term includes any nonprofit organization (defined as having tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986) that has authority to carry out and maintain works of improvement or is developing and implementing a work of improvement in partnership with another local organization that has such authority.''.

(3) WATERWAY.—Such section is further amended by adding at the end the following new definition:

''WATERWAY.—The term 'waterway' means, on public or private land, any natural, degraded, seasonal, or created wetland on public or private land, including rivers, streams, riparian areas, marshes, ponds, bogs, mudflats, lakes, and estuaries. The term includes any natural or manmade watercourse which is culverted, channelized, or vegetatively cleared, including canals, irrigation ditches, drainage wages, and navigation, industrial, flood control and water supply channels.''.

(c) ASSISTANCE TO LOCAL ORGANIZATIONS.—Section 3 of the Act (16 U.S.C. 1003) is amended—

(1) in paragraph (1), by inserting after ''(1)'' the following ''to provide technical assistance to help local organizations'';

(2) in paragraph (2)—

(A) by inserting after ''(2)'' the following: ''to provide technical assistance to help local organizations''; and

(B) by striking ''engineering'' and inserting ''technical and scientific''; and

(3) by striking paragraph (3) and inserting the following new paragraph:

''(3) to make allocations of costs to the project or project components to determine whether the total of all environmental, social, and monetary benefits exceed costs;''.

(d) COST SHARE ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Section 3A of the Act (16 U.S.C. 1003a) is amended by striking subsection (b) and inserting the following:

''(b) NONSTRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not exceeding 75 percent of the total installation costs.

''(c) STRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of structural works of improvement may be provided using funds appropriated for the purposes of this Act for 50 percent of the total cost, including the cost of mitigating damage to fish and wildlife habitat and the value of any land or interests in land acquired for the work of improvement.

''(d) SPECIAL RULE FOR LIMITED RESOURCE COMMUNITIES.—Notwithstanding any other provision of this Act, the Secretary may provide cost share assistance to a limited resource community for any works of improvement, using funds appropriated for the purposes of this Act, for an amount not to exceed 90 percent of the total cost.

''(e) TREATMENT OF OTHER FEDERAL FUNDS.—Not more than 50 percent of the non-Federal cost share may be satisfied using funds from other Federal agencies.''.

(2) CONDITIONS ON ASSISTANCE.—Section 4(1) of the Act (16 U.S.C. 1004(1)) is amended by striking '', without cost to the Federal Government from funds appropriated for the purposes of this Act,''.

(e) BENEFIT COST ANALYSIS.—Section 5(1) of the Act (16 U.S.C. 1005(1)) is amended by striking ''the benefits'' and inserting ''the total benefits, including environmental, social, and monetary benefits,''.

(f) PROJECT PRIORITIZATION.—The Watershed Protection and Flood Prevention Act is amended by inserting after section 5 (16 U.S.C. 1005) the following new section:

''SEC. 5A. FUNDING PRIORITIES.

''In making funding decisions under this Act, the Secretary shall give priority to projects with one or more of the following attributes:

''(1) Projects providing significant improvements in ecological values and functions in the project area.

''(2) Projects that enhance the long-term health of local economies or generate job or job training opportunities for local residents, including Youth Conservation and Service Corps participants and displaced resource harvesters.

''(3) Projects that provide protection to human health, safety, and property.

''(4) Projects that directly benefit economically disadvantaged communities and enhance participation by local residents of such communities.

''(5) Projects that restore or enhance fish and wildlife species of commercial, recreational, subsistence or scientific concern.

''(6) Projects or components of projects that can be planned, designed, and implemented within two years.''.

(g) TRANSFER OF FUNDS.—The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001–1010) is amended by adding at the end the following new section:

''SEC. 14. TRANSFERS OF FUNDS.

''The Secretary may accept transfers of funds from other Federal departments and agencies in order to carry out projects under this Act.''.

SEC. 364. ABANDONMENT OF CONVERTED WETLANDS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by adding at the end the following:

''(k) ABANDONMENT OF CONVERTED WETLANDS.—The Secretary shall not determine that a prior converted or cropped wetland is abandoned, and therefore that the wetland is subject to this subtitle, on the basis that a producer has not planted an agricultural crop on the prior converted or cropped wetland after the date of enactment of this subsection, so long as any use of the wetland thereafter is limited to agricultural purposes.''.

TITLE IV—NUTRITION ASSISTANCE

SEC. 401. FOOD STAMP PROGRAM.

(a) DISQUALIFICATION OF A STORE OR CONCERN.—Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking ''SEC. 12. (a) Any'' and inserting the following:

''SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

''(a) DISQUALIFICATION.—

''(1) IN GENERAL.—An'';

(3) by adding at the end of subsection (a) the following:

''(2) EMPLOYING CERTAIN PERSONS.—A retail food store or wholesale food concern shall be disqualified from participation in the food stamp program if the store or concern knowingly employs a person who has been found by the Secretary, or a Federal, State, or local court, to have, within the preceding 3-year period—

''(A) engaged in the trading of a firearm, ammunition, an explosive, or a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for a coupon; or

''(B) committed any act that constitutes a violation of this Act or a State law relating to using, presenting, transferring, acquiring, receiving, or possessing a coupon, authorization card, or access device.''; and

(4) in subsection (b)(3)(B), by striking ''neither the ownership nor management of the store or food concern was aware'' and inserting ''the ownership of the store or food concern was not aware''.

(b) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking ''1995'' each place it appears and inserting ''2002''.

(c) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking ''1995'' and inserting ''2002''.

(d) OUTREACH DEMONSTRATION PROJECTS.—The first sentence of section 17(j)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(j)(1)(A)) is amended by striking ''1995'' and inserting ''2002''.

(e) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1995'' and inserting ''2002''.

(f) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking ''$974,000,000'' and all that follows through ''fiscal year 1995'' and inserting ''$1,143,000,000 for fiscal year 1996, $1,174,000,000 for fiscal year 1997, $1,204,000,000 for fiscal year 1998, $1,236,000,000 for fiscal year 1999, $1,268,000,000 for fiscal year 2000, $1,301,000,000 for fiscal year 2001, and $1,335,000,000 for fiscal year 2002''.

(g) AMERICAN SAMOA.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 24. TERRITORY OF AMERICAN SAMOA.

''From amounts made available to carry out this Act, the Secretary may pay to the Territory of American Samoa not more than $5,300,000 for each of fiscal years 1996 through 2002 to finance 100 percent of the expenditures for the fiscal year for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).''.

SEC. 402. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (d)(2), by striking ''1995'' and inserting ''2002''.

(c) CARRIED-OVER FUNDS.—20 percent of any commodity supplemental food program funds carried over under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) shall be available for administrative expenses of the program.

SEC. 403. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (e), by striking ''1995'' each place it appears and inserting ''2002''.

SEC. 404. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking ''1995'' and inserting ''2002''; and

(B) by striking ''1995'' each place it appears and inserting ''2002''.

SEC. 405. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking ''1995'' and inserting ''2002''.

TITLE V—MISCELLANEOUS

Subtitle A—General Miscellaneous Provisions

SEC. 501. FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by adding at the end the following: ''The minimum price for milk of the highest classification in any order (other than an order amended under paragraph (M)) may not be higher than the minimum price required under this paragraph.''; and

(2) by adding at the end the following:

''(M) SAFE HARBOR.—

''(i) IN GENERAL.—Providing that each order may be amended such that not more than $.10 per hundredweight of milk of the highest use classification may be added to the minimum applicable price to be set aside in a fund called the 'Safe Harbor Fund Account' (referred to in this paragraph as the 'Account').

''(ii) ADMINISTRATION.—

''(I) MARKET ADMINISTRATOR.—The Account shall be administered by the Market Administrator.

''(II) USE OF FUNDS.—A determination regarding the use of the funds in the Account shall be made by the Safe Harbor Committee established under clause (iii).

''(iii) SAFE HARBOR COMMITTEE.—The Secretary shall establish a Safe Harbor Committee consisting of 7 milk producers appointed by the Secretary who supply milk to handlers regulated under a Federal milk marketing order.

''(iv) USE OF FUNDS.—

''(I) APPLICATIONS.—To be eligible to use amounts in the fund, a milk producer who supplies milk to handlers regulated under a Federal milk marketing order shall submit an application to the Safe Harbor Committee.

''(II) APPROVAL.—The Safe Harbor Committee may approve only applications that fund conservation practices approved by the Secretary that control the off-migration of nutrients from the farm.

''(III) STATE WATER QUALITY PRIORITIES.—In approving applications, the Safe Harbor Committee shall take into account, to the extent practicable, the applicable State water quality priorities.''.

SEC. 502. CROP INSURANCE.

(a) CATASTROPHIC RISK PROTECTION.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—

(1) in paragraph (4), by adding at the end the following:

''(C) DELIVERY OF COVERAGE.—

''(i) IN GENERAL.—In full consultation with approved insurance providers, the Secretary may continue to offer catastrophic risk protection in a State (or a portion of a State) through local offices of the Department if the Secretary determines that there is an insufficient number of approved insurance providers operating in the State or portion to adequately provide catastrophic risk protection coverage to producers.

''(ii) COVERAGE BY APPROVED INSURANCE PROVIDERS.—To the extent that catastrophic risk protection coverage by approved insurance providers is sufficiently available in a State as determined by the Secretary, only approved insurance providers may provide the coverage in the State.

''(iii) CURRENT POLICIES.—Subject to clause (ii), all catastrophic risk protection policies written by local offices of the Department shall be transferred (including all fees collected for the crop year in which the approved insurance provider will assume the policies) to the approved insurance provider for performance of all sales, service, and loss adjustment functions.''; and

(2) in paragraph (7), by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—Effective for the spring-planted 1996 and subsequent crops, to be eligible for any payment or loan under the Agricultural Market Transition Act or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.), the conservation reserve program, or any benefit described in section 371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f), a person shall—

''(i) obtain at least the catastrophic level of insurance for each crop of economic significance in which the person has an interest; or

''(ii) provide a written waiver to the Secretary that waives any eligibility for emergency crop loss assistance in connection with the crop.''.

(b) COVERAGE OF SEED CROPS.—Section 519(a)(2)(B) of the Act (7 U.S.C. 1519(a)(2)(B)) is amended by inserting ''seed crops,'' after ''turfgrass sod,''.

(c) CROP INSURANCE PILOT PROJECT.—

(1) COVERAGE.—The Secretary of Agriculture shall develop and administer a pilot project for crop insurance coverage that indemnifies crop losses due to a natural disaster such as insect infestation or disease.

(2) ACTUARIAL SOUNDNESS.—A pilot project under this paragraph shall be actuarially sound, as determined by the Secretary and administered at no net cost to the United States Treasury.

(3) DURATION.—A pilot project under this paragraph shall be of two years' duration.

(d) CROP INSURANCE FOR SPECIALTY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

''(D) ADDITION OF SPECIALTY CROPS.—Not later than 2 years after the date of enactment of this subparagraph—

''(i) the Corporation shall issue regulations to expand crop insurance coverage under this title to include aquaculture; and

''(ii) The Corporation shall conduct a study and limited pilot program on the feasibility of insuring nursery crops.''.

(e) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

''(4) MARKETING WINDOWS.—The Corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.''.

SEC. 503. REVENUE INSURANCE.

Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by adding at the end the following:

''(9) REVENUE INSURANCE PILOT PROGRAM.—

''(A) IN GENERAL.—Not later than December 31, 1996, the Secretary shall carry out a pilot program in a limited number of counties, as determined by the Secretary, for crop years 1997, 1998, 1999, and 2000, under which a producer of corn, wheat, or soybeans may elect to receive insurance against loss of revenue, as determined by the Secretary.

''(B) ADMINISTRATION.—Revenue insurance under this paragraph shall—

''(i) be offered through reinsurance arrangements with private insurance companies;

''(ii) offer at least a minimum level of coverage that is an alternative to catastrophic crop insurance;

''(iii) be actuarily sound; and

''(iv) require the payment of premiums and administrative fees by an insured producer.''.

SEC. 504. COLLECTION AND USE OF AGRICULTURAL QUARANTINE AND INSPECTION FEES.

Subsection (a) of section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended to read as follows:

''(a) QUARANTINE AND INSPECTION FEES.—

''(1) FEES AUTHORIZED.—The Secretary of Agriculture may prescribe and collect fees sufficient—

''(A) to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of an international passenger, commercial vessel, commercial aircraft, commercial truck, or railroad car;

''(B) to cover the cost of administering this subsection; and

''(C) through fiscal year 2002, to maintain a reasonable balance in the Agricultural Quarantine Inspection User Fee Account established under paragraph (5).

''(2) LIMITATION.—In setting the fees under paragraph (1), the Secretary shall ensure that the amount of the fees are commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities paying the fees. The costs of the services with respect to passengers as a class includes the costs of related inspections of the aircraft or other vehicle.

''(3) STATUS OF FEES.—Fees collected under this subsection by any person on behalf of the Secretary are held in trust for the United States and shall be remitted to the Secretary in such manner and at such times as the Secretary may prescribe.

''(4) LATE PAYMENT PENALTIES.—If a person subject to a fee under this subsection fails to pay the fee when due, the Secretary shall assess a late payment penalty, and the overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code.

''(5) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

''(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account', which shall contain all of the fees collected under this subsection and late payment penalties and interest charges collected under paragraph (4) through fiscal year 2002.

''(B) USE OF ACCOUNT.—For each of the fiscal years 1996 through 2002, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

''(C) EXCESS FEES.—Fees and other amounts collected under this subsection in any of the fiscal years 1996 through 2002 in excess of $100,000,000 shall be available for the purposes specified in subparagraph (B) until expended, without further appropriation.

''(6) USE OF AMOUNTS COLLECTED AFTER FISCAL YEAR 2002.—After September 30, 2002, the unobligated balance in the Agricultural Quarantine Inspection User Fee Account and fees and other amounts collected under this subsection shall be credited to the Department of Agriculture accounts that incur the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. The fees and other amounts shall remain available to the Secretary until expended without fiscal year limitation.

''(7) STAFF YEARS.—The number of full-time equivalent positions in the Department of Agriculture attributable to the provision of agricultural quarantine and inspection services and the administration of this subsection shall not be counted toward the limitation on the total number of full-time equivalent positions in all agencies specified in section 5(b) of the Federal Workforce Restructuring Act of 1994 (Public Law 103–226; 5 U.S.C. 3101 note) or other limitation on the total number of full-time equivalent positions.''.

SEC. 505. COMMODITY CREDIT CORPORATION INTEREST RATE.

Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995.

SEC. 506. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this section.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the ''Talisman tract''.

(c) TRANSFERRING FUNDS.—The Secretary of the Interior may transfer funds to the Army Corps of Engineers, the State of Florida, or the South Florida Water Management District to carry out subsection (b)(3).

(d) DEADLINE.—Not later than December 31, 1999, the Secretary of the Interior shall utilize the funds for restoration activities referred to in subsection (b)(3).

SEC. 507. FUND FOR RURAL AMERICA.

(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

(1) $50,000,000 for the 1996 fiscal year;

(2) $100,000,000 for the 1997 fiscal year; and

(3) $150,000,000 for the 1998 fiscal year.

(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

(A) The Housing Act of 1949 for—

(i) direct loans to low income borrowers pursuant to section 502;

(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

(v) grants for Rural Housing Preservation pursuant to section 533;

(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

(C) Consolidated Farm and Rural Development Act for—

(i) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

(iii) down payments assistance to farmers, section 310E;

(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

(2) RESEARCH.—

(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

(i) a college or university;

(ii) a State agricultural experiment station;

(iii) a State Cooperative Extension Service;

(iv) a research institution or organization;

(v) a private organization or person; or

(vi) a Federal agency.

(C) USE OF GRANT.—

(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses—

(I) research, ranging from discovery to principles of application;

(II) extension and related private-sector activities; and

(III) education.

(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

(D) ADMINISTRATION.—

(i) PRIORITY.—In administering this paragraph, the Secretary shall—

(I) establish priorities for allocating grants, based on needs and oppportunities of the food and agriculture system in the United States related to the goals of the paragraph;

(II) seek and accept proposals for grants;

(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

(I) for applied research that is commodity-specific; and

(II) not of national scope.

(v) ADMINISTRATIVE COSTS.—

(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

(II) LIMITATION.—Funds made available under this paragraph shall not be used—

(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current

level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.

Subtitle B—Options Pilot Programs and Risk Management Education

SEC. 511. SHORT TITLE.

This subtitle may be cited as the ''Options Pilot Programs Act of 1996''.

SEC. 512. PURPOSE.

The purpose of this subtitle is to authorize the Secretary of Agriculture (referred to in this subtitle as the ''Secretary'') to—

(1) conduct research through pilot programs for 1 or more program commodities to ascertain whether futures and options contracts can provide producers with reasonable protection from the financial risks of fluctuations in price, yield, and income inherent in the production and marketing of agricultural commodities; and

(2) provide education in the management of the financial risks inherent in the production and marketing of agricultural commodities.

SEC. 513. PILOT PROGRAMS.

(a) IN GENERAL.—The Secretary is authorized to conduct pilot programs for 1 or more supported commodities through December 31, 2002.

(b) DISTRIBUTION OF PILOT PROGRAMS.—The Secretary may operate a pilot program described in subsection (a) (referred to in this subtitle as a ''pilot program'') in up to 100 counties for each program commodity with not more than 6 of those counties in any 1 State. A pilot program shall not be implemented in any county for more than 3 of the 1996 through 2002 calendar years.

(c) ELIGIBLE PARTICIPANTS.—

(1) IN GENERAL.—In carrying out a pilot program, the Secretary may contract with a producer who—

(A) is eligible to participate in a price support program for a supported commodity;

(B) desires to participate in a pilot program; and

(C) is located in an area selected for a pilot program.

(2) CONTRACTS.—Each contract under paragraph (1) shall set forth the terms and conditions for participation in a pilot program.

(d) ELIGIBLE MARKETS.—Trades for futures and options contracts under a pilot program shall be carried out on commodity futures and options markets designated as contract markets under the Commodity Exchange Act (7 U.S.C. 1 et seq.)

SEC. 514. TERMS AND CONDITIONS.

(a) IN GENERAL.—To be eligible to participate in any pilot program for any commodity conducted under this subtitle, a producer shall meet the eligibility requirements established under this subtitle (including regulations issued under this subtitle).

(b) RECORDKEEPING.—Producers shall compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing any pilot program require.

SEC. 515. NOTICE.

(a) ALTERNATIVE PROGRAMS.—Pilot programs shall be alternatives to other related programs of the Department of Agriculture.

(b) NOTICE TO PRODUCERS.—The Secretary shall provide notice to each producer participating in a pilot program that—

(1) the participation of the producer in a pilot program is voluntary; and

(2) neither the United States, the Commodity Credit Corporation, the Federal Crop Insurance Corporation, the Department of Agriculture, nor any other Federal agency is authorized to guarantee that participants in the pilot program will be better or worse off financially as a result of participation in a pilot program than the producer would have been if the producer had not participated in a pilot program.

SEC. 516. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—Pilot programs established under this subtitle shall be funded by and carried out through the Commodity Credit Corporation.

(b) LIMITATION.—In conducting the programs, the Secretary shall, to the maximum extent practicable, operate the pilot programs in a budget neutral manner.

SEC. 517. RISK MANAGEMENT EDUCATION.

The Secretary shall provide such education in management of the financial risks inherent in the production and marketing of agricultural commodities as the Secretary considers appropriate.

Subtitle C—Commercial Transportation of Equine for Slaughter

SEC. 521. FINDINGS.

Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

SEC. 522. DEFINITIONS.

In this subtitle:

(1) COMMERCE.—The term ''commerce'' means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) DEPARTMENT.—The term ''Department'' means the United States Department of Agriculture.

(3) EQUINE.—The term ''equine'' means any member of the Equidae family.

(4) EQUINE FOR SLAUGHTER.—The term ''equine for slaughter'' means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equine for slaughter.

(5) FOAL.—The term ''foal'' means an equine that is not more than 6 months of age.

(6) INTERMEDIATE HANDLER.—The term ''intermediate handler'' means any person regularly engaged in the business of receiving custody of equine for slaughter in connection with the transport of the equine to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) PERSON.—The term ''person'' means any individual, partnership, firm, company, corporation, or association that regularly transports equine for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equine for slaughter on a regular basis as part of a commercial enterprise.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(9) VEHICLE.—The term ''vehicle'' means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equine for slaughter.

(10) STALLION.—The term ''stallion'' means any uncastrated male equine that is 1 year of age or older.

SEC. 523. STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) IN GENERAL.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this subtitle, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equine for slaughter.

(b) PROHIBITION.—No person engaged in the regular business of transporting equine by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, an equine for slaughter except in accordance with the standards and this subtitle.

(c) MINIMUM REQUIREMENTS.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equine for slaughter. The standards shall require, at a minimum, that—

(1) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(2) a vehicle shall provide adequate headroom for an equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equine or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equine are over 16 hands;

(3) the interior of a vehicle shall—

(A) be free of protrusions, sharp edges, and harmful objects;

(B) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(C) be maintained in a sanitary condition;

(4) a vehicle shall—

(A) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(B) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(C) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(5)(A) equine shall be positioned in the vehicle by size; and

(B) stallions shall be segregated from other equine;

(6)(A) all equine for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(i) states that the equine were inspected and satisfied the requirements of subparagraph (B);

(ii) includes a clear description of each equine; and

(iii) is valid for 7 days;

(B) no equine shall be transported to slaughter if the equine is found to be—

(i) suffering from a broken or dislocated limb;

(ii) unable to bear weight on all 4 limbs;

(iii) blind in both eyes; or

(iv) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(C) no foal may be transported for slaughter;

(D) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(E) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(i) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(ii) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

SEC. 524. RECORDS.

(a) IN GENERAL.—A person engaged in the business of transporting equine for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this subtitle.

(b) MINIMUM REQUIREMENTS.—The records shall include, at a minimum—

(1) the veterinary certificate of inspection;

(2) the names and addresses of current owners and consignors, if applicable, of the equine at the time of sale or consignment to slaughter; and

(3) the bill of sale or other documentation of sale for each equine.

(c) AVAILABILITY.—The records shall—

(1) accompany the equine during transport to slaughter;

(2) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the Secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the Department and kept by the Department for a reasonable period of time, as determined by the Secretary; and

(3) on request of an officer or employee of the Department, be made available at all reasonable times for inspection and copying by the officer or employee.

SEC. 525. AGENTS.

(a) IN GENERAL.—For purposes of this subtitle, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equine for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equine for slaughter as well as of the individual.

(b) ASSISTANCE.—If an equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

SEC. 526. COOPERATIVE AGREEMENTS.

The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this subtitle (including regulations issued under this subtitle).

SEC. 527. INVESTIGATIONS AND INSPECTIONS.

(a) IN GENERAL.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this subtitle (including any regulation issued under this subtitle).

(b) ACCESS.—For the purposes of conducting an investigation or inspection under subsection (a), the Secretary shall, at all reasonable times, have access to—

(1) the place of business of any person engaged in the business of transporting equine for slaughter;

(2) the facilities and vehicles used to transport the equine; and

(3) records required to be maintained under section 834.

(c) ASSISTANCE TO OR DESTRUCTION OF EQUINE.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(1) provide assistance to any equine that is covered by this subtitle (including any regulation issued under this subtitle); or

(2) destroy, in a humane manner, any such equine found to be suffering.

SEC. 528. INTERFERENCE WITH ENFORCEMENT.

(a) IN GENERAL.—Subject to subsection (b), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this subtitle shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(b) WEAPONS.—If the person uses a deadly or dangerous weapon in connection with an action described in subsection (a), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

SEC. 529. JURISDICTION OF COURTS.

Except as provided in section 840(a)(5), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this subtitle, to prevent and restrain a violation of this subtitle, and to otherwise enforce this subtitle.

SEC. 530. CIVIL AND CRIMINAL PENALTIES.

(a) CIVIL PENALTIES.—

(1) IN GENERAL.—A person who violates this subtitle (including a regulation or standard issued under this subtitle) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(2) SEPARATE OFFENSES.—Each equine transported in violation of this subtitle shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(3) HEARINGS.—No penalty shall be assessed under this subsection unless the person who is alleged to have violated this subtitle is given notice and opportunity for a hearing with respect to an alleged violation.

(4) FINAL ORDER.—An order of the Secretary assessing a penalty under this subsection shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to paragraph (5).

(5) APPEALS.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this subsection, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(6) NONPAYMENT OF PENALTY.—On a failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(b) CRIMINAL PENALTIES.—

(1) FIRST OFFENSE.—Subject to paragraph (2), a person who knowingly violates this subtitle (or a regulation or standard issued under this subtitle) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(2) SUBSEQUENT OFFENSES.—On conviction of a second or subsequent offense described in paragraph (1), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

SEC. 531. PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINE DUE TO VIOLATIONS.

From sums received as penalties, fines, or forfeitures of property for any violation of this subtitle (including a regulation issued under this subtitle), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this subtitle.

SEC. 532. RELATIONSHIP TO STATE LAW.

Nothing in this subtitle prevents a State from enacting or enforcing any law (including a regulation) that is not inconsistent with this subtitle or that is more restrictive than this subtitle.

SEC. 533. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) LIMITATION.—No provision of this subtitle shall be effective, or be enforced against any person, during a fiscal year unless funds to carry out this subtitle have been appropriated for the fiscal year.

Subtitle D—Miscellaneous

SEC. 541. LIVESTOCK DEALER TRUST.

Title III of the Packers and Stockyards Act, 1921 (7 U.S.C. 201 et seq.), is amended by adding at the end the following:

"SEC. 318. LIVESTOCK DEALER TRUST.

''(a) FINDINGS.—Congress finds that—

''(1) a burden on and obstruction to commerce in livestock is caused by financing arrangements under which dealers and market agencies purchasing livestock on commission encumber, give lenders security interests in, or have liens placed on livestock purchased by the dealers and market agencies in cash sales, or on receivables from or proceeds of such sales, when payment is not made for the livestock; and

''(2) the carrying out of such arrangements is contrary to the public interest.

''(b) PURPOSE.—The purpose of this section is to remedy the burden on and obstruction to commerce in livestock described in paragraph (1) and protect the public interest.

''(c) DEFINITIONS.—In this section:

''(1) CASH SALE.—The term 'cash sale' means a sale in which the seller does not expressly extend credit to the buyer.

''(2) TRUST.—The term 'trust' means 1 or more assets of a buyer that (subsequent to a cash sale of livestock) constitutes the corpus of a trust held for the benefit of a seller and consists of—

''(A) account receivables and proceeds earned from the cash sale of livestock by a dealer;

''(B) account receivables and proceeds of a marketing agency earned on commission from the cash sale of livestock;

''(C) the inventory of the dealer or marketing agency; or

''(D) livestock involved in the cash sale, if the seller has not received payment in full for the livestock and a bona fide third-party purchaser has not purchased the livestock from the dealer or marketing agency.

''(d) HOLDING IN TRUST.—

''(1) IN GENERAL.—The account receivables and proceeds generated in a cash sale made by a dealer or a market agency on commission and the inventory of the dealer or market agency shall be held by the dealer or market agency in trust for the benefit of the seller of the livestock until the seller receives payment in full for the livestock.

''(2) EXEMPTION.—Paragraph (1) does not apply in the case of a cash sale made by a dealer or market agency if the total amount of cash sales made by the dealer or market agency during the preceding 12 months does not exceed $250,000.

''(3) DISHONOR OF INSTRUMENT OF PAYMENT.—A payment in a sale described in paragraph (1) shall not be considered to be made if the instrument by which payment is made is dishonored.

''(4) LOSS OF BENEFIT OF TRUST.—If an instrument by which payment is made in a sale described in paragraph (1) is dishonored, the seller shall lose the benefit of the trust under paragraph (1) on the earlier of—

''(A) the date that is 15 business days after date on which the seller receives notice of the dishonor; or

''(B) the date that is 30 days after the final date for making payment under section 409, unless the seller gives written notice to the dealer or market agency of the seller's intention to preserve the trust and submits a copy of the notice to the Secretary.

''(5) RIGHTS OF THIRD-PARTY PURCHASER.—The trust established under paragraph (1) shall have no effect on the rights of a bona fide third-party purchaser of the livestock, without regard to whether the livestock are delivered to the bona fide purchaser.

''(e) JURISDICTION.—The district courts of the United States shall have jurisdiction in a civil action—

''(1) by the beneficiary of a trust described in subsection (c)(1), to enforce payment of the amount held in trust; and

''(2) by the Secretary, to prevent and restrain dissipation of a trust described in subsection (c)(1).''.

SEC. 542. PLANTING OF ENERGY CROPS.

(a) FEED GRAINS.—The first sentence of section 105B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(F)(i)) is amended by inserting ''herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content,'' after ''mung beans,''.

(b) WHEAT.—The first sentence of section 107B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(F)(i)) is amended by inserting ''herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content,'' after ''mung beans,''.

SEC. 543. REIMBURSABLE AGREEMENTS.

Section 737 of Public Law 102–142 (7 U.S.C. 2277) is amended—

(1) by striking ''SEC. 737. Funds'' and inserting the following:

''SEC. 737. SERVICES FOR APHIS PERFORMED OUTSIDE THE UNITED STATES.

''(a) IN GENERAL.—Funds''; and

(2) by adding at the end the following:

''(b) REIMBURSABLE AGREEMENTS.—

''(1) IN GENERAL.—The Secretary of Agriculture may enter into reimbursable fee agreements with persons for preclearance at locations outside the United States of plants, plant products, animals, and articles for movement to the United States.

''(2) OVERTIME, NIGHT, AND HOLIDAY WORK.—Notwithstanding any other law, the Secretary of Agriculture may pay an employee of the Department of Agriculture preforming services relating to imports into and exports from the United States for overtime, night, and holiday work performed by the employee at a rate of pay established by the Secretary.

''(3) REIMBURSEMENT.—

''(A) IN GENERAL.—The Secretary of Agriculture may require persons for whom preclearance services are performed to reimburse the Secretary for any amounts paid by the Secretary for performance of the services.

''(B) CREDITING OF FUNDS.—All funds collected under subparagraph (A) shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.

''(C) LATE PAYMENT PENALTY.—

''(i) IN GENERAL.—On failure of a person to reimburse the Secretary of Agriculture for the costs of performance of preclearance services—

''(I) the Secretary may assess a late payment penalty; and

''(II) the overdue funds shall accrue interest in accordance with section 3717 of title 31, United States Code.

''(ii) CREDITING OF FUNDS.—Any late payment penalty and any accrued interest collected under this subparagraph shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.''.

SEC. 544. SWINE HEALTH PROTECTION.

(a) TERMINATION OF STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 10 of the Swine Health Protection Act (7 U.S.C. 3809) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

''(c) REQUEST OF STATE OFFICIAL.—

''(1) IN GENERAL.—On request of the Governor or other appropriate official of a State, the Secretary may terminate, effective as soon as the Secretary determines is practicable, the primary enforcement responsibility of a State under subsection (a). In terminating the primary enforcement responsibility under this subsection, the Secretary shall work with the appropriate State official to determine the level of support to be provided to the Secretary by the State under this Act.

''(2) REASSUMPTION.—Nothing in this subsection shall prevent a State from reassuming primary enforcement responsibility if the Secretary determines that the State meets the requirements of subsection (a).''.

(b) ADVISORY COMMITTEE.—The Swine Health Protection Act is amended—

(1) by striking section 11 (7 U.S.C. 3810); and

(2) by redesignating sections 12, 13, and 14 (7 U.S.C. 3811, 3812, and 3813) as sections 11, 12, and 13, respectively.

SEC. 545. COOPERATIVE WORK FOR PROTECTION, MANAGEMENT, AND IMPROVEMENT OF NATIONAL FOREST SYSTEM.

The penultimate paragraph of the matter under the heading ''FOREST SERVICE.'' of the first section of the Act of June 30, 1914 (38 Stat. 430, chapter 131; 16 U.S.C. 498), is amended—

(1) by inserting '', management,'' after ''the protection'';

(2) by striking ''national forests,'' and inserting ''National Forest System,'';

(3) by inserting ''management,'' after ''protection,'' both places it appears; and

(4) by adding at the end the following new sentences: ''Payment for work undertaken pursuant to this paragraph may be made from any appropriation of the Forest Service that is available for similar work if a written agreement so provides and reimbursement will be provided by a cooperator in the same fiscal year as the expenditure by the Forest Service. A reimbursement received from a cooperator that covers the proportionate share of the cooperator of the cost of the work shall be deposited to the credit of the appropriation of the Forest Service from which the payment was initially made or, if the appropriation is no longer available to the credit of an appropriation of the Forest Service that is available for similar work. The Secretary of Agriculture shall establish written rules that establish criteria to be used to determine whether the acceptance of contributions of money under this paragraph would adversely affect the ability of an officer or employee of the United States Department of Agriculture to carry out a duty or program of the officer or employee in a fair and objective manner or would compromise, or appear to compromise, the integrity of the program, officer, or employee. The Secretary of Agriculture shall establish written rules that protect the interests of the Forest Service in cooperative work agreements.''.

SEC. 546. AMENDMENT OF THE VIRUS-SERUM TOXIN ACT OF 1913.

The Act of March 4, 1913 (37 Stat. 828, chapter 145), is amended in the eighth paragraph under the heading ''BUREAU OF ANIMAL INDUSTRY'', commonly known as the ''Virus-Serum Toxin Act of 1913'', by striking the 10th sentence (21 U.S.C. 158) and inserting ''A person, firm, or corporation that knowingly violates any of the provisions of this paragraph or regulations issued under this paragraph, or knowingly forges, counterfeits, or, without authorization by the Secretary of Agriculture, uses, alters, defaces, or destroys any certificate, permit, license, or other document provided for in this paragraph, may, for each violation, after written notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary of Agriculture of not more than $5,000, or shall, on conviction, be assessed a criminal penalty of not more than $10,000, imprisoned not more than 1 year, or both. In the course of an investigation of a suspected violation of this paragraph, the Secretary of Agriculture may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence that relates to the matter under investigation. In determining the amount of a civil penalty, the Secretary of Agriculture shall take into account the nature, circumstances, extent, and gravity of the violation, the ability of the violator to pay the penalty, the effect that the assessment would have on the ability of the violator to continue to do business, any history of such violations by the violator, the degree of culpability of the violator, and such other matters as justice may require. An order assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United State's Code. The Secretary of Agriculture may compromise, modify, or remit a civil penalty with or without conditions. The amount of a civil penalty that is paid (including any amount agreed on in compromise) may be deducted from any sums owing by the United States to the violator. The total amount of civil penalties assessed against a violator shall not exceed $300,000 for all such violations adjudicated in a single proceeding. The validity of an order assessing a civil penalty shall not be subject to review in an action to collect the civil penalty. The unpaid amount of a civil penalty not paid in full when due shall accrue interest at the rate of interest applicable to civil judgments of the courts of the United States.''.

SEC. 547. OVERSEAS TORT CLAIMS.

Title VII of Public Law 102–142 (105 Stat. 911) is amended by inserting after section 737 (7 U.S.C. 2277) the following:

''SEC. 737A. OVERSEAS TORT CLAIMS.

''The Secretary of Agriculture may pay a tort claim in the manner authorized in section 2672 of title 28, United States Code, if the claim arises outside the United States in connection with activities of individuals who are performing services for the Secretary. A claim may not be allowed under this section unless the claim is presented in writing to the Secretary within 2 years after the date on which the claim accrues.''.

SEC. 548. GRADUATE SCHOOL OF THE UNITED STATES DEPARTMENT OF AGRICULTURE.

(a) PURPOSE.—The purpose of this section is to authorize the continued operation of

the Graduate School as a nonappropriated fund instrumentality of the Department of Agriculture.

(b) DEFINITIONS.—In this section:

(1) BOARD.—The term ''Board'' means the General Administration Board of the Graduate School.

(2) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(3) DIRECTOR.—The term ''Director'' means the Director of the Graduate School.

(4) GRADUATE SCHOOL.—The term ''Graduate School'' means the Graduate School of the United States Department of Agriculture.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(c) FUNCTIONS AND AUTHORITY.—

(1) IN GENERAL.—The Graduate School shall continue as a nonappropriated fund instrumentality of the Department under the general supervision of the Secretary.

(2) ACTIVITIES.—The Graduate School shall develop and administer education, training, and professional development activities, including the provision of educational activities for Federal agencies, Federal employees, nonprofit organizations, other entities, and members of the general public.

(3) FEES.—

(A) IN GENERAL.—The Graduate School may charge and retain fair and reasonable fees for the activities that it provides based on the cost of the activities to the Graduate School.

(B) NOT FEDERAL FUNDS.—Fees under subparagraph (A) shall not be considered to be Federal funds and shall not required to be deposited in the Treasury of the United States.

(4) NAME.—The Graduate School shall operate under the name ''United States Department of Agriculture Graduate School'' or such other name as the Graduate School may adopt.

(d) GENERAL ADMINISTRATION BOARD.—

(1) APPOINTMENT.—The Secretary shall appoint a General Administration Board to serve as a governing board subject to regulation by the Secretary.

(2) SUPERVISION.—The Graduate School shall be subject to the supervision and direction of the Board.

(3) DUTIES.—The Board shall—

(A) formulate broad policies in accordance with which the Graduate School shall be administered;

(B) take all steps necessary to see that the highest possible educational standards are maintained;

(C) exercise general supervision over the administration of the Graduate School; and

(D) establish such bylaws, rules, and procedures as may be necessary for the fulfillment of the duties described in subparagraph (A), (B), and (C).

(4) DIRECTOR AND OTHER OFFICERS.—The Board shall select the Director and such other officers as the Board may consider necessary, who shall serve on such terms and perform such duties as the Board may prescribe.

(5) BORROWING.—The Board may authorize the Director to borrow money on the credit of the Graduate School.

(e) DIRECTOR OF THE GRADUATE SCHOOL.—

(1) DUTIES.—The Director shall be responsible, subject to the supervision and direction of the Board, for carrying out the functions of the Graduate School.

(2) INVESTMENT OF FUNDS.—The Board may authorize the Director to invest funds held in excess of the current operating requirements of the Graduate School for purposes of maintaining a reasonable reserve.

(f) LIABILITY.—The Director and the members of the Board shall not be held personally liable for any loss or damage that may accrue to the funds of the Graduate School as the result of any act or exercise of discretion performed in carrying out the duties described in this section.

(g) EMPLOYEES.—Employees of the Graduate School are employees of a nonappropriated fund instrumentality and shall not be considered to be Federal employees.

(h) NOT A FEDERAL AGENCY.—The Graduate School shall not be considered to be a Federal Agency for purposes of—

(1) chapter 171 of title 28, United States Code;

(2) section 552 or 552a of title 28, United States Code; or

(3) the Federal Advisory Committee Act (5 U.S.C. App.).

(i) ACCEPTANCE OF DONATIONS.—The Graduate School shall not accept a donation from a person that is actively engaged in a procurement activity with the Graduate School or has an interest that may be substantially affected by the performance or nonperformance of an official duty of a member of the Board or an employee of the Graduate School.

(j) ADMINISTRATIVE PROVISIONS.—In order to carry out the functions of the Graduate School, the Graduate School may—

(1) accept, use, hold, dispose, and administer gifts, bequests, or devises of money, securities, and other real or personal property made for the benefit of, or in connection with, the Graduate School;

(2) notwithstanding any other law—

(A) acquire real property in the District of Columbia and in other places by lease, purchase, or otherwise;

(B) maintain, enlarge, or remodel any such property; and

(C) have sole control of any such property;

(3) enter into contracts without regard to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471) or any other law that prescribes procedures for the procurement of property or services by an executive agency;

(4) dispose of real and personal property without regard to the requirements of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

(5) use the facilities and resources of the Department, on the condition that any costs incurred by the Department that are attributable solely to Graduate School operations and all costs incurred by the Graduate School arising out of such operations shall be borne by the fees paid by or on behalf of students or by other means and not with Federal funds.

SEC. 549. STUDENT INTERN SUBSISTENCE PROGRAM.

(a) DEFINITION.—In this section, the term ''student intern'' means a person who—

(1) is employed by the Department of Agriculture to assist scientific, professional, administrative, or technical employees of the Department; and

(2) is a student in good standing at an accredited college or university pursuing a course of study related to the field in which the person is employed by the Department.

(b) PAYMENT OF CERTAIN EXPENSES BY THE SECRETARY.—The Secretary of Agriculture may, out of user fee funds or funds appropriated to any agency, pay for lodging expenses, subsistence expenses, and transportation expenses of a student intern (including expenses of transportation to and from the student intern's residence at or near the college or university attended by the student intern and the official duty station at which the student intern is employed).

SEC. 550. CONVEYANCE OF LAND TO WHITE OAK CEMETERY.

(a) IN GENERAL.—

(1) RELEASE OF INTEREST.—After execution of the agreement described in subsection (b), the Secretary of Agriculture shall release the condition stated in the deed on the land described in subsection (c) that the land be used for public purposes, and that if the land is not so used, that the land revert the United States, on the condition that the land be used exclusively for cemetery purposes, and that if the land is not so used, that the land revert the United States.

(2) BANKHEAD-JONES ACT.—Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release under paragraph (1).

(b) AGREEMENT.—The Secretary of Agriculture shall make the release under in subsection (a) on execution by the Board of Trustees of the University of Arkansas, in consideration of the release, of an agreement, satisfactory to the Secretary of Agriculture, that—

(1) the Board of Trustees will not sell, lease, exchange, or otherwise dispose of the land described in subsection (c) except to the White Oak Cemetery Association of Washington County, Arkansas, or a successor organization, for exclusive use for an expansion of the cemetery maintained by the Association; and

(2) the proceeds of such a disposition of the land will be deposited and held in an account open to inspection by the Secretary of Agriculture, and used, if withdrawn from the account, for public purposes.

(c) LAND DESCRIPTION.—The land described in this subsection is the land conveyed to the Board of Trustees of the University of Arkansas, with certain other land, by deed dated November 18, 1953, comprising approximately 2.2 acres located within property of the University of Arkansas in Washington, County, Arkansas, commonly known as the ''Savor property'' and described as follows:

The part of Section 20, Township 17 north, range 31 west, beginning at the north corner of the White Oak Cemetery and the University of Arkansas Agricultural Experiment Station farm at Washington County road #874, running west approximately 330 feet, thence south approximately 135 feet, thence southeast approximately 384 feet, thence north approximately 330 feet to the point of beginning.

SEC. 551. ADVISORY BOARD ON AGRICULTURAL AIR QUALITY.

(a) FINDINGS.—Congress finds that—

(1) various studies have identified agriculture as a major atmospheric polluter;

(2) Federal research activities are underway to determine the extent of the pollution problem and the extent of the role of agriculture in the problem; and

(3) any Federal policy decisions that may result, and any Federal regulations that may be imposed on the agricultural sector, should be based on sound scientific findings;

(b) PURPOSE.—The purpose of this section is to establish an advisory board to assist and provide the Secretary of Agriculture with information, analyses, and policy recommendations for determining matters of fact and technical merit and addressing scientific questions dealing with particulate matter less than 10 microns that become lodged in human lungs (known as ''PM10'') and other airborne particulate matter or gases that affect agricultural production yields and the economy.

(c) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Agriculture may establish a board to be known as the ''Advisory Board on Agricultural Air Quality'' (referred to in this section as the ''Board'') to advise the Secretary, through the Chief of the Natural Resources Conservation Service, with respect to carrying out this act and obligations agriculture incurred

under the Clean Air Act (42 U.S.C. 7401 et seq.) and the Act entitled 'An Act to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards, and for other purposes', approved November 15, 1990 (commonly known as the 'Clean Air Act Amendments of 1990') (42 U.S.C. 7401 et seq.).

(2) OVERSIGHT COORDINATION.—The Secretary of Agriculture shall provide oversight and coordination with respect to other Federal departments and agencies to ensure intergovernmental cooperation in research activities and to avoid duplication of Federal efforts.

(d) COMPOSITION.—

(1) IN GENERAL.—The Board shall be composed of at least 17 members appointed by the Secretary in consultation with the Administrator of the Environmental Protection Agency.

(2) REGIONAL REPRESENTATION.—The membership of the Board shall be 2 persons from each of the 6 regions of the Natural Resources Conservation Service, of whom 1 from each region shall be an agricultural producer.

(3) ATMOSPHERIC SCIENTIST.—At least 1 member of the Board shall be an atmospheric scientist.

(e) CHAIRPERSON.—The Chief of the Natural Resources Conservation Service shall—

(1) serve as chairman of the Board; and

(2) provide technical support to the Board.

(f) TERM.—Each member of the Board shall be appointed for a 3-year term, except that the Secretary of Agriculture shall appoint 4 of the initial members for a term of 1 year and 4 for a term of 2 years.

(g) MEETINGS.—The Board shall meet not less than twice annually.

(h) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular place of business in performance of services for the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(i) FUNDING.—The Board shall be funded using appropriations for conservation operations.

SEC. 552. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following:

"SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

''(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

''(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide equal matching funds from non-Federal sources.

''(c) CONSULTATION WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.''.

SEC. 553. ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking ''SYSTEMS.—The'' and inserting the following: ''SYSTEMS.—

''(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 80 percent of the rural land area of the State (as determined by the Secretary).

''(2) GRANTS.—The''.

SEC. 554. WILDLIFE HABITAT INCENTIVES PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program in the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentive Program.

(b) COST-SHARE PAYMENTS.—The Program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary.

(c) FUNDING.—To carry out this section, $10,000,000 shall be made available for each of fiscal years 1996 through 2002 from funds made available to carry out subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 555. INDIAN RESERVATIONS.

(a) INDIAN RESERVATION EXTENSION AGENT PROGRAM.—

(1) REAUTHORIZATION.—The program established under section 1677 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5930) is reauthorized through fiscal year 2002.

(2) REDUCED REGULATORY BURDEN.—On a determination by the Secretary of Agriculture that a program carried out under section 1677 of the Act (7 U.S.C. 5930) has been satisfactorily administered for not less than 2 years, the Secretary shall implement a reduced re-application process for the continued operation of the program in order to reduce regulatory burdens on participating university and tribal entities.

(b) MEMORANDUM OF AGREEMENT.—

(1) IN GENERAL.—Not later than January 6, 1997, the Secretary shall develop and implement a formal Memorandum of Agreement with the 29 tribally controlled colleges eligible under Federal law to receive funds from the Secretary of Agriculture as partial land grant institutions.

(2) EQUITABLE PARTICIPATION.—The Memorandum shall establish programs to ensure that tribally-controlled colleges and Native American communities equitably participate in Department of Agriculture employment programs, services, and resources.

SEC. 556. ICD REIMBURSEMENT FOR OVERHEAD EXPENSES.

Section 1542(d)(1)(D) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624;7 U.S.C. 5622 note) is amended by adding at the end the following: ''Notwithstanding any other provision of law, the assistance shall include assistance for administrative and overhead expenses, to the extent that the expenses were incurred pursuant to reimbursable agreements entered into prior to September 30, 1993, the expenses do not exceed $2,000,000 per year, and the expenses were not incurred for information technology systems.''.

SEC. 557. CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

''(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.''.

(b) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended as it applies to the Secretary of Agriculture—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking ''originally constructed'';

(C) in subparagraph (G), by striking ''1996'' and inserting ''1998''; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(2) in subsection (c)(3)(A), by striking the second and third sentences; and

(3) by adding at the end the following new subsection:

''(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, the Secretary of Agriculture may not require, as a condition of, or in connection with, the renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility.''.

TITLE VI—CREDIT

Subtitle A—Agricultural Credit

CHAPTER 1—FARM OWNERSHIP LOANS

SEC. 601. LIMITATION ON DIRECT FARM OWNERSHIP LOANS.

Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking subsection (b) and inserting the following:

''(b) DIRECT LOANS.—

''(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who has operated a farm or ranch for not less than 3 years and—

''(A) is a qualified beginning farmer or rancher;

''(B) has not received a previous direct farm ownership loan made under this subtitle; or

''(C) has not received a direct farm ownership loan under this subtitle more than 10 years before the date the new loan would be made.

''(2) YOUTH LOANS.—The operation of an enterprise by a youth under section 311(b) shall not be considered the operation of a farm or ranch for purposes of paragraph (1).

''(3) TRANSITION RULE.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), paragraph (1) shall not apply to a farmer or rancher who has a direct loan outstanding under this subtitle on the date of enactment of this paragraph.

''(B) LESS THAN 5 YEARS.—If, as of the date of enactment of this paragraph, a farmer or

rancher has had a direct loan outstanding under this subtitle for less than 5 years, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 10 years after the date of enactment of this paragraph.

''(C) 5 YEARS OR MORE.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for 5 years or more, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 5 years after the date of enactment of this paragraph.''.

SEC. 602. PURPOSES OF LOANS.

Section 303 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923) is amended to read as follows:

''SEC. 303. PURPOSES OF LOANS.

''(a) ALLOWED PURPOSES.—

''(1) DIRECT LOANS.—A farmer or rancher may use a direct loan made under this subtitle only for—

''(A) acquiring or enlarging a farm or ranch;

''(B) making capital improvements to a farm or ranch;

''(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

''(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch.

''(2) GUARANTEED LOANS.—A farmer or rancher may use a loan guaranteed under this subtitle only for—

''(A) acquiring or enlarging a farm or ranch;

''(B) making capital improvements to a farm or ranch;

''(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch;

''(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch; or

''(E) refinancing indebtedness.

''(b) PREFERENCES.—In making or guaranteeing a loan for farm or ranch purchase, the Secretary shall give a preference to a person who—

''(1) has a dependent family;

''(2) to the extent practicable, is able to make an initial down payment; or

''(3) is an owner of livestock or farm or ranch equipment that is necessary to successfully carry out farming or ranching operations.

''(c) HAZARD INSURANCE REQUIREMENT.—

''(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any real property to be acquired or improved with the loan.

''(2) DETERMINATION.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

''(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).''.

SEC. 603. SOIL AND WATER CONSERVATION AND PROTECTION.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended—

(1) by striking subsections (b) and (c);

(2) by striking ''SEC. 304. (a)(1) Loans'' and inserting the following:

''SEC. 304. SOIL AND WATER CONSERVATION AND PROTECTION.

''(a) IN GENERAL.—Loans'';

(3) by striking ''(2) In making or insuring'' and inserting the following:

''(b) PRIORITY.—In making or guaranteeing'';

(4) by striking ''(3) The Secretary'' and inserting the following:

''(c) LOAN MAXIMUM.—The Secretary'';

(5) by redesignating subparagraphs (A) through (F) of subsection (a) (as amended by paragraph (2)) as paragraphs (1) through (6), respectively; and

(6) by redesignating subparagraphs (A) and (B) of subsection (c) (as amended by paragraph (4)) as paragraphs (1) and (2), respectively.

SEC. 604. INTEREST RATE REQUIREMENTS.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(1) in subparagraph (B), by inserting ''subparagraph (D) and in'' after ''Except as provided in''; and

(2) by adding at the end the following:

''(D) JOINT FINANCING ARRANGEMENT.—If a direct farm ownership loan is made under this subtitle as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be 4 percent annually.''.

SEC. 605. INSURANCE OF LOANS.

Section 308 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928) is amended to read as follows:

''SEC. 308. FULL FAITH AND CREDIT.

''(a) IN GENERAL.—A contract of insurance or guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States.

''(b) CONTESTABILITY.—A contract of insurance or guarantee executed by the Secretary under this title shall be incontestable except for fraud or misrepresentation that the lender or any holder—

''(1) has actual knowledge of at the time the contract or guarantee is executed; or

''(2) participates in or condones.''.

SEC. 606. LOANS GUARANTEED.

Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended by adding at the end the following:

''(4) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in paragraph (5), a loan guarantee under this title shall be for not more than 90 percent of the principal and interest due on the loan.

''(5) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

''(A) in the case of a loan that solely refinances a direct loan made under this title, the principal and interest due on the loan on the date of the refinancing; or

''(B) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this title that is outstanding on the date the loan is guaranteed.

''(6) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee up to 95 percent of—

''(A) a farm ownership loan for acquiring a farm or ranch to a borrower who is participating in the down payment loan program under section 310E; or

''(B) an operating loan to a borrower who is participating in the down payment loan program under section 310E that is made during the period that the borrower has a direct loan for acquiring a farm or ranch.''.

CHAPTER 2—OPERATING LOANS

SEC. 611. LIMITATION ON DIRECT OPERATING LOANS.

(a) IN GENERAL.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by striking subsection (c) and inserting the following:

''(c) DIRECT LOANS.—

''(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who—

''(A) is a qualified beginning farmer or rancher who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 5 years;

''(B) has not had a previous direct operating loan under this subtitle; or

''(C) has not had a previous direct operating loan under this subtitle for more than 7 years.

''(2) YOUTH LOANS.—In this subsection, the term 'direct operating loan' shall not include a loan made to a youth under subsection (b).

''(3) TRANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle during each of 4 or more previous years, the borrower shall be eligible to receive a direct operating loan under this subtitle during 3 additional years after the date of enactment of this paragraph.''.

(b) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:

''(4) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—The operation of an enterprise by a youth under this subsection shall not be considered the operation of a farm or ranch under this title.''.

SEC. 612. PURPOSES OF OPERATING LOANS.

Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended to read as follows:

''SEC. 312. PURPOSES OF LOANS.

''(a) IN GENERAL.—A direct loan may be made under this subtitle only for—

''(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

''(2) purchasing livestock, poultry, or farm or ranch equipment;

''(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

''(4) financing land or water development, use, or conservation;

''(5) paying loan closing costs;

''(6) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

''(7) training a limited-resource borrower receiving a loan under section 310D in maintaining records of farming and ranching operations;

''(8) training a borrower under section 359;

''(9) refinancing the indebtedness of a borrower if the borrower—

''(A) has refinanced a loan under this subtitle not more than 4 times previously; and

''(B)(i) is a direct loan borrower under this title at the time of the refinancing and has suffered a qualifying loss because of a natural disaster declared by the Secretary under this title or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

''(ii) is refinancing a debt obtained from a creditor other than the Secretary; or

''(10) providing other farm, ranch, or home needs, including family subsistence.

''(b) GUARANTEED LOANS.—A loan may be guaranteed under this subtitle only for—

''(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

''(2) purchasing livestock, poultry, or farm or ranch equipment;

''(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

''(4) financing land or water development, use, or conservation;

''(5) refinancing indebtedness;

''(6) paying loan closing costs;

''(7) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

''(8) training a borrower under section 359; or

''(9) providing other farm, ranch, or home needs, including family subsistence.

''(c) HAZARD INSURANCE REQUIREMENT.—

''(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any property to be acquired with the loan.

''(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

''(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).

''(d) PRIVATE RESERVE.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may reserve the lesser of 10 percent or $5,000 of the amount of a direct loan made under this subtitle, to be placed in a nonsupervised bank account that may be used at the discretion of the borrower for any necessary family living need or purpose that is consistent with any farming or ranching plan agreed to by the Secretary and the borrower prior to the date of the loan.

''(2) ADJUSTMENT OF RESERVE.—If a borrower exhausts the amount of funds reserved under paragraph (1), the Secretary may—

''(A) review and adjust the farm or ranch plan referred to in paragraph (1) with the borrower and reschedule the loan;

''(B) extend additional credit;

''(C) use income proceeds to pay necessary farm, ranch, home, or other expenses; or

''(D) provide additional available loan servicing.''.

SEC. 613. PARTICIPATION IN LOANS.

Section 315 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1945) is repealed.

SEC. 614. LINE-OF-CREDIT LOANS.

Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended by adding at the end the following:

''(c) LINE-OF-CREDIT LOANS.—

''(1) IN GENERAL.—A loan made or guaranteed by the Secretary under this subtitle may be in the form of a line-of-credit loan.

''(2) TERM.—A line-of-credit loan under paragraph (1) shall terminate not later than 5 years after the date that the loan is made or guaranteed.

''(3) ELIGIBILITY.—For purposes of determining eligibility for a farm operating loan, each year in which a farmer or rancher takes an advance or draws on a line-of-credit loan the farmer or rancher shall be considered to have received an operating loan for 1 year.''.

SEC. 615. INSURANCE OF OPERATING LOANS.

Section 317 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is repealed.

SEC. 616. SPECIAL ASSISTANCE FOR BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Section 318 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1948) is repealed.

(b) CONFORMING AMENDMENT.—Section 310F of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936) is repealed.

SEC. 617. LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 319 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is amended by striking subsection (b) and inserting the following:

''(b) LIMITATION ON PERIOD BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.—

''(1) GENERAL RULE.—Subject to paragraph (2), the Secretary shall not guarantee a loan under this subtitle for a borrower for any year after the 15th year that a loan is made to, or a guarantee is provided with respect to, the borrower under this subtitle.

''(2) TRANSITION RULE.—If, as of October 28, 1992, a farmer or rancher has received a direct or guaranteed operating loan under this subtitle during each of 10 or more previous years, the borrower shall be eligible to receive a guaranteed operating loan under this subtitle during 5 additional years after October 28, 1992.''.

CHAPTER 3—EMERGENCY LOANS

SEC. 621. HAZARD INSURANCE REQUIREMENT.

Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended by striking subsection (b) and inserting the following:

''(b) HAZARD INSURANCE REQUIREMENT.—

''(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle to cover a property loss unless the farmer or rancher had hazard insurance that insured the property at the time of the loss.

''(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

''(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).''.

SEC. 622. MAXIMUM EMERGENCY LOAN INDEBTEDNESS.

Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended by striking ''SEC. 324. (a) No loan'' and all that follows through the end of subsection (a) and inserting the following:

''SEC. 324. TERMS OF LOANS.

''(a) MAXIMUM AMOUNT OF LOAN.—The Secretary may not make a loan under this subtitle that—

''(1) exceeds the actual loss caused by a disaster; or

''(2) would cause the total indebtedness of the borrower under this subtitle to exceed $500,000.''.

SEC. 623. INSURANCE OF EMERGENCY LOANS.

Section 328 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1968) is repealed.

CHAPTER 4—ADMINISTRATIVE PROVISIONS

SEC. 631. USE OF COLLECTION AGENCIES.

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

''(d) PRIVATE COLLECTION AGENCY.—The Secretary may use a private collection agency to collect a claim or obligation described in subsection (b)(5).''.

SEC. 632. NOTICE OF LOAN SERVICE PROGRAMS.

Section 331D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981d(a)) is amended by striking ''180 days delinquent in'' and inserting ''90 days past due on''.

SEC. 633. SALE OF PROPERTY.

Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended—

(1) in subsection (b), by striking ''subsection (e)'' and inserting ''subsections (c) and (e)'';

(2) by striking subsection (c) and inserting the following:

''(c) SALE OF PROPERTY.—

''(1) IN GENERAL.—Subject to this subsection and subsection (e)(1)(A), the Secretary shall offer to sell real property that is acquired by the Secretary under this title in the following order and method of sale:

''(A) ADVERTISEMENT.—Not later than 15 days after acquiring real property, the Secretary shall publicly advertise the property for sale.

''(B) BEGINNING FARMER OR RANCHER.—

''(i) IN GENERAL.—Not later than 75 days after acquiring real property, the Secretary shall attempt to sell the property to a qualified beginning farmer or rancher at current market value based on a current appraisal.

''(ii) RANDOM SELECTION.—If more than 1 qualified beginning farmer or rancher offers to purchase the property, the Secretary shall select between the qualified applicants on a random basis.

''(iii) APPEAL OF RANDOM SELECTION.—A random selection or denial by the Secretary of a beginning farmer or rancher for farm inventory property under this subparagraph shall be final and not administratively appealable.

''(C) PUBLIC SALE.—If no acceptable offer is received from a qualified beginning farmer or rancher under subparagraph (B) within 75 days of acquiring the real property, the Secretary shall, within 30 days, sell the property after public notice at a public sale, and, if no acceptable bid is received, by negotiated sale, at the best price obtainable.

''(2) TRANSITIONAL RULES.—

''(A) PREVIOUS LEASE.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary leased prior to the date of enactment of this subparagraph, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the lease expires.

''(B) PREVIOUSLY IN INVENTORY.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary has not leased, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the date of enactment of this subparagraph.

''(3) INTEREST.—

''(A) IN GENERAL.—Subject to subparagraph (B), any conveyance under this subsection shall include all of the interest of the United States, including mineral rights.

''(B) CONSERVATION.—The Secretary may for conservation purposes grant or sell an easement, restriction, development right, or similar legal right to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights owned by the Secretary.

''(4) OTHER LAW.—This title shall not be subject to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

''(5) LEASE OF PROPERTY.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may not lease any real property acquired under this title.

''(B) EXCEPTION.—

''(i) BEGINNING FARMER OR RANCHER.—Notwithstanding paragraph (1), the Secretary may lease or contract to sell a farm or ranch acquired by the Secretary under this title to a beginning farmer or rancher if the beginning farmer or rancher qualifies for a credit sale or direct farm ownership loan but credit sale authority for loans or direct farm ownership funds, respectively, are not available.

''(ii) TERM.—A lease or contract to sell to a beginning farmer or rancher under clause (i) shall be until the earlier of—

''(I) the date that is 18 months after the date of the lease or sale; or

''(II) the date that direct farm ownership loan funds or credit sale authority for loans become available to the beginning farmer or rancher.

''(iii) INCOME-PRODUCING CAPABILITY.—In determining the rental rate on real property leased under this subparagraph, the Secretary shall consider the income-producing capability of the property during the term that the property is leased.

''(6) DETERMINATION BY SECRETARY.—

''(A) EXPEDITED REVIEW.—On the request of an applicant, the Secretary shall provide within 30 days of denial of the applicant's application for an expedited review by the appropriate State Director of whether the applicant is a beginning farmer or rancher for the purpose of acquiring farm inventory property.

''(B) APPEAL.—The results of a review conducted by a State Director under subparagraph (A) shall be final and not administratively appealable.

''(C) EFFECTS OF REVIEW.—

''(i) IN GENERAL.—The Secretary shall maintain statistical data on the number and results of reviews conducted under subparagraph (A) and whether the reviews adversely impact on—

''(I) selling farm inventory property to beginning farmers and ranchers; and

''(II) disposing of real property in inventory.

''(ii) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate if the Secretary determines that reviews under subparagraph (A) are adversely impacting the selling of farm inventory property to beginning farmers or ranchers or on disposing of real property in inventory.''; and

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A) through (C);

(ii) by redesignating subparagraphs (D) through (G) as subparagraphs (A) through (D), respectively;

(iii) in subparagraph (A) (as redesignated by clause (ii))—

(I) in clause (i)—

(aa) in the matter preceding subclause (I), by striking ''(G)'' and inserting ''(D)'';

(bb) by striking subclause (I) and inserting the following:

''(I) the Secretary acquires property under this title that is located within an Indian reservation; and'';

(cc) in subclause (II), by striking '', and'' at the end and inserting a semicolon; and

(dd) by striking subclause (III); and

(II) in clause (iii), by striking ''The Secretary shall'' and all that follows through ''of subparagraph (A),'' and inserting ''Not later than 90 days after acquiring the property, the Secretary shall''; and

(iv) in subparagraph (D) (as redesignated by clause (ii))—

(I) in clause (i), by striking ''(D)'' in the matter following subclause (IV) and inserting ''(A)'';

(II) in clause (iii)(I), by striking ''subparagraphs (C)(i), (C)(ii), and (D)'' and inserting ''subparagraph (A)''; and

(III) by striking clause (v) and inserting the following:

''(v) FORECLOSURE PROCEDURES.—

''(I) NOTICE TO BORROWER.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide the Indian borrower-owner with the option of—

''(aa) requiring the Secretary to assign the loan and security instruments to the Secretary of the Interior, provided the Secretary of the Interior agrees to the assignment, releasing the Secretary of Agriculture from all further responsibility for collection of any amounts with regard to the loan secured by the real property; or

''(bb) requiring the Secretary to assign the loan and security instruments to the tribe having jurisdiction over the reservation in which the real property is located, provided the tribe agrees to the assignment.

''(II) NOTICE TO TRIBE.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide written notice to the Indian tribe that has jurisdiction over the reservation in which the real property is located of—

''(aa) the sale;

''(bb) the fair market value of the property; and

''(cc) the requirements of this subparagraph.

''(III) ASSUMED LOANS.—If an Indian tribe assumes a loan under subclause (I)—

''(aa) the Secretary shall not foreclose the loan because of any default that occurred prior to the date of the assumption;

''(bb) the loan shall be for the lesser of the outstanding principal and interest of the loan or the fair market value of the property; and

''(cc) the loan shall be treated as though the loan was made under Public Law 91–229 (25 U.S.C. 488 et seq.).'';

(B) by striking paragraph (3);

(C) in paragraph (4)—

(i) by striking subparagraph (B);

(ii) in subparagraph (A)—

(I) in clause (i), by striking ''(i)''; and

(II) by redesignating clause (ii) as subparagraph (B); and

(iii) in subparagraph (B) (as redesignated by clause (ii)(II)), by striking ''clause (i)'' and inserting ''subparagraph (A)'';

(D) by striking paragraph (5);

(E) by striking paragraph (6);

(F) by redesignating paragraph (4) as paragraph (3); and

(G) by redesignating paragraphs (7) through (10) as paragraphs (4) through (7), respectively.

SEC. 634. DEFINITIONS.

Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended—

(1) in paragraph (11)—

(A) in the text preceding subparagraph (A), by striking ''applicant—'' and inserting ''applicant, regardless of whether participating in a program under section 310E—''; and

(B) in subparagraph (F)—

(i) by striking ''15 percent'' and inserting ''35 percent''; and

(ii) by inserting before the semicolon at the end the following: '', except that this subparagraph shall not apply to loans under subtitle B''; and

(2) by adding at the end the following:

''(12) DEBT FORGIVENESS.—

''(A) IN GENERAL.—The term 'debt forgiveness' means reducing or terminating a farm loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

''(i) writing-down or writing-off a loan under section 353;

''(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 331;

''(iii) paying a loss on a guaranteed loan under section 357; or

''(iv) discharging a debt as a result of bankruptcy.

''(B) LOAN RESTRUCTURING.—The term 'debt forgiveness' does not include consolidation, rescheduling, reamortization, or deferral.''.

SEC. 635. AUTHORIZATION FOR LOANS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in the second sentence of subsection (a), by striking ''with or without'' and all that follows through ''administration'' and inserting the following: ''without authority for the Secretary to transfer amounts between the categories''; and

(2) by striking subsection (b) and inserting the following:

''(b) AUTHORIZATION FOR LOANS.—

''(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund established under section 309 in not more than the following amounts:

''(A) FISCAL YEAR 1996.—For fiscal year 1996, $3,085,000,000, of which—

''(i) $585,000,000 shall be for direct loans, of which—

''(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $500,000,000 shall be for operating loans under subtitle B; and

''(ii) $2,500,000,000 shall be for guaranteed loans, of which—

''(I) $600,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $1,900,000,000 shall be for operating loans under subtitle B.

''(B) FISCAL YEAR 1997.—For fiscal year 1997, $3,165,000,000, of which—

''(i) $585,000,000 shall be for direct loans, of which—

''(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $500,000,000 shall be for operating loans under subtitle B; and

''(ii) $2,580,000,000 shall be for guaranteed loans, of which—

''(I) $630,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $1,950,000,000 shall be for operating loans under subtitle B.

''(C) FISCAL YEAR 1998.—For fiscal year 1998, $3,245,000,000, of which—

''(i) $585,000,000 shall be for direct loans, of which—

''(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $500,000,000 shall be for operating loans under subtitle B; and

''(ii) $2,660,000,000 shall be for guaranteed loans, of which—

''(I) $660,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $2,000,000,000 shall be for operating loans under subtitle B.

''(D) FISCAL YEAR 1999.—For fiscal year 1999, $3,325,000,000, of which—

''(i) $585,000,000 shall be for direct loans, of which—

''(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $500,000,000 shall be for operating loans under subtitle B; and

''(ii) $2,740,000,000 shall be for guaranteed loans, of which—

''(I) $690,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $2,050,000,000 shall be for operating loans under subtitle B.

''(E) FISCAL YEAR 2000.—For fiscal year 2000, $3,435,000,000, of which—

''(i) $585,000,000 shall be for direct loans, of which—

''(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $500,000,000 shall be for operating loans under subtitle B; and

''(ii) $2,850,000,000 shall be for guaranteed loans, of which—

''(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $2,100,000,000 shall be for operating loans under subtitle B.

''(F) FISCAL YEAR 2001.—For fiscal year 2001, $3,435,000,000, of which—

''(i) $585,000,000 shall be for direct loans, of which—

''(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $500,000,000 shall be for operating loans under subtitle B; and

''(ii) $2,850,000,000 shall be for guaranteed loans, of which—

''(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $2,100,000,000 shall be for operating loans under subtitle B.

''(G) FISCAL YEAR 2002.—For fiscal year 2002, $3,435,000,000, of which—

''(i) $585,000,000 shall be for direct loans, of which—

''(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $500,000,000 shall be for operating loans under subtitle B; and

''(ii) $2,850,000,000 shall be for guaranteed loans, of which—

''(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

''(II) $2,100,000,000 shall be for operating loans under subtitle B.

''(2) BEGINNING FARMERS AND RANCHERS.—

''(A) DIRECT LOANS.—

''(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve 70 percent of available funds for qualified beginning farmers and ranchers.

''(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

''(I) for fiscal year 1996, 25 percent;

''(II) for fiscal year 1997, 25 percent;

''(III) for fiscal year 1998, 25 percent;

''(IV) for fiscal year 1999, 30 percent; and

''(V) for each of fiscal years 2000 through 2002, 35 percent.

''(iii) FUNDS RESERVED UNTIL SEPTEMBER 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until September 1 of each fiscal year.

''(B) GUARANTEED LOANS.—

''(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for guaranteed farm ownership loans, the Secretary shall reserve 25 percent for qualified beginning farmers and ranchers.

''(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for guaranteed operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers and ranchers.

''(iii) FUNDS RESERVED UNTIL APRIL 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until April 1 of each fiscal year.

''(C) RESERVED FUNDS FOR ALL QUALIFIED BEGINNING FARMERS AND RANCHERS.—If a qualified beginning farmer or rancher meets the eligibility criteria for receiving a direct or guaranteed loan under section 302, 310E, or 311, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

''(3) TRANSFER FOR DOWN PAYMENT LOANS.—

''(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraph (B)—

''(i) beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers under the down payment loan program established under section 310E; and

''(ii) beginning on September 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers.

''(B) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.

''(4) TRANSFER FOR CREDIT SALES OF FARM INVENTORY PROPERTY.—

''(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available emergency disaster loan funds appropriated for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

''(B) SUPPLEMENTAL APPROPRIATIONS.—The transfer authority provided under subparagraph (A) does not include any emergency disaster loan funds made available to the Secretary for any fiscal year as a result of a supplemental appropriation made by Congress.

''(C) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.''.

SEC. 636. LIST OF CERTIFIED LENDERS AND INVENTORY PROPERTY DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (f)—

(A) by striking ''Each Farmers Home Administration county supervisor'' and inserting ''The Secretary'';

(B) by striking ''approved lenders'' and inserting ''lenders''; and

(C) by striking ''the Farmers Home Administration''; and

(2) by striking subsection (h).

(b) TECHNICAL AMENDMENTS.—

(1) Section 1320 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1999 note) is amended by striking ''Effective only'' and all that follows through ''1995, the'' and inserting ''The''.

(2) Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking ''SEC. 351. (a) The'' and inserting the following:

''SEC. 351. INTEREST RATE REDUCTION PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—The''; and

(B) by adding at the end the following:

''(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.''.

SEC. 637. HOMESTEAD PROPERTY.

Section 352(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(c)) is amended—

(1) in paragraph (1)(A), by striking ''90'' each place it appears and inserting ''30''; and

(2) in paragraph (6), by striking ''Within 30'' and all that follows through ''title,'' and insert ''Not later than the date of acquisition of the property securing a loan made under this title (or, in the case of real property in inventory on the effective date of the Agricultural Reform and Improvement Act of 1996, not later than 5 days after the date of enactment of the Act),'' and by striking the second sentence.

SEC. 638. RESTRUCTURING.

Section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) is amended—

(1) in subsection (c)—

(A) in paragraph (3) by striking subparagraph (C) and inserting the following:

''(C) CASH FLOW MARGIN.—

''(i) ASSUMPTION.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 110 percent of the amount indicated for payment of farm operating expenses, debt service obligations, and family living expenses.

''(ii) AVAILABLE INCOME.—If an amount up to 110 percent of the amount determined under subparagraph (A) is available, the Secretary shall consider the income of the borrower to be adequate to meet all expenses, including the debt obligations of the borrower.''; and

(B) by striking paragraph (6) and inserting the following:

''(6) TERMINATION OF LOAN OBLIGATIONS.—The obligations of a borrower to the Secretary under a loan shall terminate if—

''(A) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

''(B) the value of the restructured loan is less than the recovery value; and

''(C) not later than 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party financing to pay) the Secretary an amount equal to the current market value.'';

(2) by striking subsection (k); and

(3) by redesignating subsections (l) through (p) as subsections (k) through (o), respectively.

SEC. 639. TRANSFER OF INVENTORY LANDS.

Section 354 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2002) is amended—

(1) in the matter preceding paragraph (1), by striking ''The Secretary, without reimbursement,'' and inserting the following:

''(a) IN GENERAL.—Subject to subsection (b), the Secretary'';

(2) by striking paragraph (2) and inserting the following:

''(2) that is eligible to be disposed of in accordance with section 335; and''; and

(3) by adding at the end the following:

''(b) CONDITIONS.—The Secretary may not transfer any property or interest under subsection (a) unless—

''(1) at least 2 public notices are given of the transfer;

''(2) if requested, at least 1 public meeting is held prior to the transfer; and

''(3) the Governor and at least 1 elected county official are consulted prior to the transfer.''.

SEC. 640. IMPLEMENTATION OF TARGET PARTICIPATION RATES.

Section 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003) is amended by adding at the end the following:

''(f) IMPLEMENTATION CONSISTENT WITH SUPREME COURT HOLDING.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in Adarand Constructors, Inc. v. Federico Pena, Secretary of Transportation, 63 U.S.L.W. 4523 (U.S. June 12, 1995).''.

SEC. 641. DELINQUENT BORROWERS AND CREDIT STUDY.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

''SEC. 372. PAYMENT OF INTEREST AS A CONDITION OF LOAN SERVICING FOR BORROWERS.

''The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

''SEC. 373. LOAN AND LOAN SERVICING LIMITATIONS

''(a) DELINQUENT BORROWERS PROHIBITED FROM OBTAINING DIRECT OPERATING LOANS.—The Secretary may not make a direct operating loan under subtitle B to a borrower who is delinquent on any loan made or guaranteed under this title.

''(b) LOANS PROHIBITED FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make or guarantee a loan under this title to a borrower who received debt forgiveness under this title.

''(2) EXCEPTION.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses to a borrower who was restructured with debt write-down under section 353.

''(c) NO MORE THAT 1 DEBT FORGIVENESS FOR A BORROWER ON A DIRECT LOAN.—The Secretary may not provide debt forgiveness to a borrower on a direct loan made under this title if the borrower has received debt forgiveness on another direct loan under this title.

''SEC. 374. CREDIT STUDY.

''(a) IN GENERAL.—The Secretary of Agriculture shall perform a study and report to the Committee on Agriculture in the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry in the Senate on the demand for and availability of credit in rural areas for agriculture, rural housing, and rural development.

''(b) PURPOSE.—The purpose of the study is to ensure that Congress has current and comprehensive information to consider as Congress deliberates on the credit needs of rural America and the availability of credit to satisfy the needs of rural America.

''(c) ITEMS IN STUDY.—The study should be based on the most current available data and should include—

''(1) rural demand for credit from the Farm Credit System, the ability of the Farm Credit System to meet the demand, and the extent to which the Farm Credit System provided loans to satisfy the demand;

''(2) rural demand for credit from the nation's banking system, the ability of banks to meet the demand, and the extent to which banks provided loans to satisfy the demand;

''(3) rural demand for credit from the Secretary, the ability of the Secretary to meet the demand, and the extent to which the Secretary provided loans to satisfy the demand;

''(4) rural demand for credit from other Federal agencies, the ability of the agencies to meet the demand, and the extent to which the agencies provided loans to satisfy the demand;

''(5) what measure or measures exist to gauge the overall demand for rural credit and the extent to which rural demand for credit is satisfied, and what the measures have shown;

''(6) a comparison of the interest rates and terms charged by the Farm Credit System Farm Credit Banks, production credit associations, and banks for cooperatives with the rates and terms charged by the nation's banks for credit of comparable risk and maturity;

''(7) the advantages and disadvantages of the modernization and expansion proposals of the Farm Credit System on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

''(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of a proposal; and

''(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users;

''(8) the nature and extent of the unsatisfied rural credit need that the Farm Credit System proposal are supposed to address and what aspects of the present Farm Credit System prevent the Farm Credit System from meeting the need;

''(9) the advantages and disadvantages of the proposal by commercial bankers to allow banks access to the Farm Credit System as a funding source on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

''(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of the proposal; and

''(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users; and

''(10) problems that commercial banks have in obtaining capital for lending in rural areas, how access to Farm Credit System funds would improve the availability of capital in rural areas in ways that cannot be achieved in the present system, and the possible effects on the viability of the Farm Credit System of granting banks access to Farm Credit System funds.

''(d) INTERAGENCY TASK FORCE.—In completing the study, the Secretary shall use, among other things, data and information obtained by the interagency task force on rural credit.''.

CHAPTER 5—GENERAL PROVISIONS

SEC. 651. CONFORMING AMENDMENTS.

(a) Section 307(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)) is amended—

(1) in paragraph (4), by striking ''304(b), 306(a)(1), and 310B'' and inserting ''306(a)(1) and 310B''; and

(2) in paragraph (6)(B)—

(A) by striking clauses (i), (ii), and (vii);

(B) in clause (v), by adding ''and'' at the end;

(C) in clause (vi), by striking '', and'' at the end and inserting a period; and

(D) by redesignating clauses (iii) through (vi) as clauses (i) through (iv), respectively.

(b) The second sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by striking ''section 308,''.

(c) Section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) is amended—

(1) in the second sentence of subsection (a), by striking ''304(b), 306(a)(1), 306(a)(14), 310B, and 312(b)'' and inserting ''306(a)(1), 306(a)(14), and 310B''; and

(2) in subsection (b), by striking ''and section 308''.

(d) Section 310B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)) is amended—

(1) by striking ''sections 304(b), 310B, and 312(b)'' each place it appears in paragraphs (2), (3), and (4) and inserting ''this section''; and

(2) in paragraph (6), by striking ''this section, section 304, or section 312'' and inserting ''this section''.

(e) The first sentence of section 310D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934(a)) is amended by striking ''paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 304(a)(1)'' and inserting ''section 303(a), or paragraphs (1) through (5) of section 304(b)''.

(f) Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking ''and for the purposes specified in section 312''.

(g) Section 316(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)) is amended by striking paragraph (3).

(h) Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—

(1) in subsection (a)(10), by striking ''recreation loan (RL) under section 304,''; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''351(h),''; and

(B) by striking paragraph (4) and inserting the following:

''(4) PRESERVATION LOAN SERVICE PROGRAM.—The term ''preservation loan service program'' means homestead retention as authorized under section 352.''.

(i) The first sentence of section 344 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1992) is amended by striking ''304(b), 306(a)(1), 310B, 312(b), or 312(c)'' and inserting ''306(a)(1), 310B, or 312(c)''.

(j) Section 353(l) of the Consolidated Farm and Rural Development Act (as redesignated by section 638(3)) is further amended by striking ''and subparagraphs (A)(i) and (C)(i) of section 335(e)(1),''.

Subtitle B—Farm Credit System

CHAPTER 1—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 661. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking ''with a purchase price'' and inserting '', excluding the land to which the dwelling is affixed, with a value''.

SEC. 662. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking ''a secondary marketing agricultural loan'' and inserting ''an agricultural mortgage marketing''; and

(2) in subparagraph (B), by striking '', but only'' and all that follows through ''(9)(B)''.

SEC. 663. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–1(b)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.''.

SEC. 664. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

''(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.''.

SEC. 665. FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3) is amended—

(1) in subsection (d), by striking ''may act as depositories for, or'' and inserting ''shall act as depositories for, and''; and

(2) in subsection (e), by striking ''Secretary of the Treasury may authorize the Corporation to use'' and inserting ''Corporation shall have access to''.

SEC. 666. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting ''(other than the Corporation)'' after ''agricultural mortgage marketing facilities''; and

(B) in paragraph (2), by inserting ''(other than the Corporation)'' after ''agricultural mortgage marketing facility''; and

(2) in subsection (e)(1), by striking ''(other than the Corporation)''.

SEC. 667. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended—

(1) in subsection (a)(1)—

(A) by striking ''Corporation shall guarantee'' and inserting the following: ''Corporation—

''(A) shall guarantee'';

(B) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

''(i) meet the standards established under section 8.8; and

''(ii) have been purchased and held by the Corporation.'';

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking ''section 8.0(9)(B))'' and inserting ''section 8.0(9))''.

SEC. 668. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended by striking subsection (b).

(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–7) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking ''8.7, 8.8,'' and inserting ''8.8''.

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)(2)) is amended by striking ''subject to the provisions of subsection (b)''.

SEC. 669. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) (as amended by section 668) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking ''(f)'' and inserting ''(d)''.

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–13(a)) is amended by striking ''sections 8.6(b) and'' in each place it appears and inserting ''section''.

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1(b)(1)(C)) is amended—

(A) by striking ''shall'' and inserting ''may''; and

(B) by inserting ''(as in effect before the date of the enactment of the Agricultural Reform and Improvement Act of 1996)'' before the semicolon.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 667(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 667(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 670. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8(e)) is amended by adding at the end the following: ''The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.''.

SEC. 671. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa–11(e)) is amended—

(1) by striking ''a certified facility or''; and

(2) by striking ''paragraphs (3) and (7), respectively, of section 8.0'' and inserting ''section 8.0(7)''.

SEC. 672. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–12) is amended by striking subsection (d) and inserting the following:

''(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

''(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

''(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.''.

SEC. 673. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1) is amended—

(1) in the first sentence of subsection (a), by striking ''Not later than the expiration of the 2-year period beginning on December 13, 1991,'' and inserting ''Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Agricultural Reform and Improvement Act of 1996,'';

(2) in the first sentence of subsection (b)(2), by striking ''5-year'' and inserting ''8-year''; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking ''The regulations establishing'' and inserting the following:

''(1) IN GENERAL.—The regulations establishing''; and

(ii) by striking ''shall contain'' and inserting the following: ''shall—

''(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

''(B) contain''; and

(B) in the second sentence, by striking ''The regulations shall'' and inserting the following:

''(2) SPECIFICITY.—The regulations referred to in paragraph (1) shall''.

SEC. 674. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

''SEC. 8.33. MINIMUM CAPITAL LEVEL.

''(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

''(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

''(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

''(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

''(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

''(C) other off-balance sheet obligations of the Corporation.

''(b) TRANSITION PERIOD.—

''(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—

''(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

''(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

''(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

''(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

''(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

''(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

''(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

''(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

''(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

''(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

''(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

''(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

''(2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

''(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

''(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).''.

SEC. 675. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

''SEC. 8.34. CRITICAL CAPITAL LEVEL.

''For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.''.

SEC. 676. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking ''during the 30-month period beginning on the date of the enactment of this section,'' and inserting ''during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,''.

SEC. 677. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

''SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

''(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

''(1) the date that is 2 years after the date of enactment of this section; or

''(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

''(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

''(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

''(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.''.

SEC. 678. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 677) is amended by adding at the end the following:

''Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

''SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

''(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

''(b) INVOLUNTARY LIQUIDATION.—

''(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

''(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

''(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

''(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

''(C) a receiver may also be appointed for the Corporation if—

''(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

''(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

''(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

''(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

''(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

''(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

''(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

''(B) any person that—

''(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

''(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

''(2) COMPENSATION.—

''(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

''(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

''(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

''(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

''(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

''(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

''(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

''(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

''(d) JUDICIAL REVIEW OF APPOINTMENT.—

''(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

''(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this Act to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

''(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have such powers to conduct the conservatorship or receivership as shall be provided pursuant to regulations adopted by the Farm Credit Administration Board. Such powers shall be comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

''(f) BORROWINGS FOR WORKING CAPITAL.—

''(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at

such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

''(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

''(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

''(1) is in writing;

''(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

''(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

''(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

''(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

''(i) TERMINATION OF AUTHORITIES.—

''(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

''(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.''.

CHAPTER 2—REGULATORY RELIEF

SEC. 681. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking '', and the appointment and compensation of the chief executive officer thereof,''.

SEC. 682. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

''(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.''.

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking ''paragraphs (2) and (3)'' and inserting ''subparagraphs (C) and (D)''.

SEC. 683. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 684. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: ''Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.''.

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking ''and (4) of subsection (a)'' and inserting ''and (4), or under the last sentence, of subsection (a)''.

SEC. 685. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking ''have been certified by the Administrator of the Rural Electrification Administration to be eligible for such'' and inserting ''are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for''; and

(2) by striking ''loan guarantee, and'' and inserting ''loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and''.

SEC. 686. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

''(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

''(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

''(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

''(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

''(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

''(3) EXCEPTION.—

''(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

''(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.''.

SEC. 687. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: '', and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate''.

SEC. 688. BORROWERS' RIGHTS.

(a) DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking ''(5) LOAN.—The'' and inserting the following:

''(5) LOAN.—

''(A) IN GENERAL.—Subject to subparagraph (B), the''; and

(2) by adding at the end the following:

''(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

''(i) IN GENERAL.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

''(ii) UNSOLD LOANS.—

''(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

''(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.''.

(b) BORROWERS' RIGHTS FOR POOLED LOANS.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(b)) is amended by inserting ''(as defined in section 4.14A(a)(5))'' after ''application for a loan''.

SEC. 689. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

''SEC. 4.28A. DEFINITION OF BANK.

''In this part, the term 'bank' includes each association operating under title II.''.

SEC. 690. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking ''or management agreements''.

SEC. 691. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after ''except that'' the following: ''the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System

institutions may not be more burdensome or costly than the requirements applicable to national banks, and''.

SEC. 692. REGULATORY REVIEW.

(a) FINDINGS.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 693. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking ''each year'' and inserting ''during each 18-month period''.

SEC. 694. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) DEFINITIONS.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) GENERAL CORPORATE POWERS.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–7) is amended by striking paragraph (9) and inserting the following:

''(9) CONSERVATOR OR RECEIVER.—The Corporation may act as a conservator or receiver.''.

SEC. 695. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) ADJUSTMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(a)) is amended—

(A) in paragraph (1), by striking ''Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year'' and inserting the following: ''If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year'';

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

''(2) REDUCED PREMIUMS.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(b)) is amended—

(i) by striking ''Insurance Fund'' each place it appears and inserting ''Farm Credit Insurance Fund'';

(ii) by striking ''for the following calendar year''; and

(iii) by striking ''subsection (a)'' and inserting ''subsection (a)(1)''.

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended by striking ''section 5.55(a)(2)'' each place it appears in paragraphs (2) and (3) and inserting ''section 5.55(a)(3)''.

(C) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting ''(as defined in section 5.55(a)(3))'' after ''government-guaranteed loans''; and

(ii) in paragraph (3), by inserting ''(as so defined)'' after ''government-guaranteed loans'' each place such term appears.

(b) ALLOCATION TO INSURED SYSTEM BANKS AND OTHER SYSTEM INSTITUTIONS OF EXCESS AMOUNTS IN THE FARM CREDIT INSURANCE FUND.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended by adding at the end the following:

''(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—

''(1) ESTABLISHMENT OF ALLOCATED INSURANCE RESERVES ACCOUNTS.—There is hereby established in the Farm Credit Insurance Fund an Allocated Insurance Reserves Account—

''(A) for each insured System bank; and

''(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

''(2) TREATMENT.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

''(3) ANNUAL ALLOCATIONS.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

''(4) ALLOCATION FORMULA.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

''(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

''(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

''(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

''(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

''(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

''(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

''(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

''(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

''(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

''(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

''(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

''(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

''(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

''(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

''(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

''(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

''(ii) WIND DOWN AND TERMINATION.—

''(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

''(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

''(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to

distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

''(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

''(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

''(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, and to continue through the 2 immediately subsequent years;

''(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and

''(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii).''

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking ''subsections (a) and (c)'' and inserting ''subsections (a), (c), and (e)''; and

(B) by striking ''a Farm Credit Bank'' and inserting ''an insured System bank''; and

(2) in paragraphs (1), (2), and (3), by striking ''Farm Credit Bank'' each place it appears and inserting ''insured System bank''.

SEC. 696. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–8(b)(1)(A)) is amended by adding at the end the following: ''Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.''.

SEC. 697. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

''(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

''(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

''(i) evaluate alternatives on a present-value basis, using a reasonable discount rate;

''(ii) document the evaluation and the assumptions on which the evaluation is based; and

''(iii) retain the documentation for not less than 5 years.

''(C) TIME OF DETERMINATION.—

''(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

''(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

''(I) the date on which a conservator is appointed for the insured System bank;

''(II) the date on which a receiver is appointed for the insured System bank; or

''(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

''(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

''(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.''.

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) in paragraph (1) by striking ''IN GENERAL.—'' and inserting ''STAND-ALONE ASSISTANCE.—''; and

(2) in paragraph (2)—

(A) by striking ''ENUMERATED POWERS.—'' and inserting ''FACILITATION OF MERGERS OR CONSOLIDATION.—''; and

(B) in subparagraph (A) by striking ''FACILITATION OF MERGERS OR CONSOLIDATION.—'' and inserting ''IN GENERAL.—''.

SEC. 698. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a–10) the following:

''SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

''(a) DEFINITIONS.—In this section, the term 'institution' means—

''(1) an insured System bank; and

''(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

''(b) CONSULTATION REGARDING PARTICIPATION OF UNDERCAPITALIZED BANKS IN ISSUANCE OF INSURED OBLIGATIONS.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

''(c) CONSULTATION REGARDING APPLICATIONS FOR MERGERS AND RESTRUCTURINGS.—

''(1) CORPORATION TO RECEIVE COPY OF TRANSACTION APPLICATIONS.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

''(2) CONSULTATION REQUIRED.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

''SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

''(a) DEFINITIONS.—In this section:

''(1) GOLDEN PARACHUTE PAYMENT.—The term 'golden parachute payment'—

''(A) means a payment (or any agreement to make a payment) in the nature of compensation for the benefit of any institution-related party under an obligation of any Farm Credit System institution that—

''(i) is contingent on the termination of the party's relationship with the institution; and

''(ii) is received on or after the date on which—

''(I) the institution is insolvent;

''(II) a conservator or receiver is appointed for the institution;

''(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

''(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

''(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

''(C) does not include—

''(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal Revenue Code of 1986 or other nondiscriminatory benefit plan;

''(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

''(iii) a payment made by reason of the death or disability of an institution-related party.

''(2) INDEMNIFICATION PAYMENT.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

''(A) is assessed a civil money penalty; or

''(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

''(3) INSTITUTION-RELATED PARTY.—The term 'institution-related party' means—

''(A) a director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

''(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

''(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

''(4) LIABILITY OR LEGAL EXPENSE.—The term 'liability or legal expense' means—

''(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

''(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

''(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

''(5) PAYMENT.—The term 'payment' means—

''(A) a direct or indirect transfer of any funds or any asset; and

''(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

''(i) the determination, after that date, of the liability for the payment of the amount; or

''(ii) the liquidation, after that date, of the amount of the payment.

''(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver of the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

''(c) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

''(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

''(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

''(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

''(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

''(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

''(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

''(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

''(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

''(A) the payment reasonably reflects compensation earned over the period of employment; and

''(B) the compensation represents a reasonable payment for services rendered.

''(d) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

''(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

''(2) with a view to, or with the result of—

''(A) preventing the proper application of the assets of the institution to creditors; or

''(B) preferring 1 creditor over another creditor.

''(e) RULE OF CONSTRUCTION.—Nothing in this section—

''(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

''(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.''.

SEC. 699. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 5.53 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–2) is amended to read as follows:

''SEC. 5.53. BOARD OF DIRECTORS.

''(a) ESTABLISHMENT.—The Corporation shall be managed by a Board of Directors that shall consist of the members of the Farm Credit Administration Board.

''(b) CHAIRMAN.—The Board of Directors shall be chaired by any Board member other than the Chairman of the Farm Credit Administration Board.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5314 of title 5, United States Code, is amended by striking ''Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.''.

(2) Section 5315 of title 5, United States Code, is amended by striking ''Members, Board of Directors of the Farm Credit System Insurance Corporation.''.

SEC. 699A. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE VII—RURAL DEVELOPMENT

Subtitle A—Amendments to the Food, Agriculture, Conservation, and Trade Act of 1990

CHAPTER 1—GENERAL PROVISIONS

SEC. 701. RURAL INVESTMENT PARTNERSHIPS.

(a) IN GENERAL.—Section 2310(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007(c)(1)) is amended by striking ''1996'' and inserting ''2002''.

(b) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 2313(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007c) is amended by striking ''$10,000,000'' and all that follows through ''1996'' and inserting ''$4,700,000 for each of fiscal years 1996 through 2002''.

SEC. 702. WATER AND WASTE FACILITY FINANCING.

Section 2322 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1926–1) is repealed.

SEC. 703. RURAL WASTEWATER CIRCUIT RIDER PROGRAM.

Section 2324 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1926 note) is repealed.

SEC. 704. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

Chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) is amended to read as follows:

''CHAPTER 1—TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS

''SEC. 2331. PURPOSE.

''The purpose of the financing programs established under this chapter is to encourage and improve telemedicine services and distance learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents.

''SEC. 2332. DEFINITIONS.

''In this chapter:

''(1) CONSTRUCT.—The term 'construct' means to construct, acquire, install, improve, or extend a facility or system.

''(2) COST OF MONEY LOAN.—The term 'cost of money loan' means a loan made under this chapter bearing interest at a rate equal to the then current cost to the Federal Government of loans of similar maturity.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''SEC. 2333. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

''(a) SERVICES TO RURAL AREAS.—The Secretary is authorized to provide financial assistance for the purpose of financing the construction of facilities and systems to provide telemedicine services and distance learning services to persons and entities in rural areas.

''(b) FINANCIAL ASSISTANCE.—

''(1) IN GENERAL.—Financial assistance shall consist of grants or cost of money loans, or both.

''(2) FORM.—The Secretary shall determine the portion of the financial assistance provided to a recipient that consists of grants and that consists of cost of money loans so as to result in the maximum feasible repayment to the Federal Government of the financial assistance, based on the ability to repay of the recipient and full utilization of funds made available to carry out this chapter.

''(c) RECIPIENTS.—

''(1) IN GENERAL.—The Secretary may provide financial assistance under this chapter to—

''(A) entities using telemedicine services or distance learning services, or both; and

''(B) entities providing or proposing to provide telemedicine service or distance learning service, or both, to other persons at rates reflecting the benefit of the financial assistance.

''(2) ELECTRIC OR TELECOMMUNICATIONS BORROWERS.—

''(A) LOANS TO BORROWERS.—Subject to subparagraph (B), the Secretary may provide a cost of money loan under this chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

''(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

''(ii) use the funds provided to acquire, install, improve, or extend a system for the purposes of this chapter; or

''(iii) use the funds provided to install, improve, or extend a facility for the purposes of this chapter.

''(B) LIMITATIONS.—A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 shall—

''(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1); and

''(ii) neither retain from the proceeds of a loan provided under subparagraph (A), nor assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan funds or making the system or facility available.

''(3) ASSISTANCE TO PROVIDE OR IMPROVE SERVICES.—Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

''(d) PRIORITY.—The Secretary shall establish procedures to prioritize financial assistance provided under this chapter considering—

''(1) the need for the assistance in the affected rural area;

''(2) the financial need of the applicant;

''(3) the population sparsity of the affected rural area;

''(4) the local involvement in the project serving the affected rural area;

''(5) geographic diversity among the recipients of financial assistance;

''(6) the utilization of the telecommunications facilities of the existing telecommunications provider;

''(7) the portion of total project financing provided by the applicant from the funds of the applicant;

''(8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;

''(9) the joint utilization of facilities financed by other financial assistance;

''(10) the coordination of the proposed project with regional projects or networks;

''(11) service to the widest practical number of persons within the general geographic area covered by the financial assistance;

''(12) conformity with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act; and

''(13) other factors determined appropriate by the Secretary.

''(e) MAXIMUM AMOUNT OF ASSISTANCE TO INDIVIDUAL RECIPIENTS.—The Secretary may establish the maximum amount of financial assistance to be made available to an individual recipient for each fiscal year under this chapter by publishing notice in the Federal Register. The notice shall be published not more than 45 days after funds are made available to carry out this chapter during a fiscal year.

''(f) USE OF FUNDS.—Financial assistance provided under this chapter shall be used for—

''(1) the development and acquisition of instructional programming;

''(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further telemedicine services or distance learning services, or both;

''(3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or

''(4) other uses that are consistent with this chapter, as determined by the Secretary.

''(g) SALARIES AND EXPENSES.—Notwithstanding subsection (f), financial assistance provided under this chapter shall not be used for paying salaries of employees or administrative expenses.

''(h) EXPEDITING COORDINATED TELEPHONE LOANS.—

''(1) IN GENERAL.—The Secretary may establish and carry out procedures to ensure that expedited consideration and determination is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced telecommunications services in rural areas in conjunction with any other projects carried out under this chapter.

''(2) DEADLINE IMPOSED ON SECRETARY.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall respond to the application. The Secretary shall notify the applicant in writing of the decision of the Secretary regarding each expedited loan application.

''(i) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—

''(1) APPLICANTS.—Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

''(2) SECRETARY.—The Secretary shall—

''(A) publish notice of applications received for grants under this chapter for telemedicine or distance learning projects; and

''(B) make the applications available for inspection.

''SEC. 2334. ADMINISTRATION.

''(a) NONDUPLICATION.—The Secretary shall ensure that facilities constructed using financial assistance provided under this chapter do not duplicate adequate established telemedicine services or distance learning services.

''(b) LOAN MATURITY.—The maturities of cost of money loans shall be determined by the Secretary, based on the useful life of the facility being financed, except that the loan shall not be for a period of more than 10 years.

''(c) LOAN SECURITY AND FEASIBILITY.—The Secretary shall make a cost of money loan only after determining that the security for the loan is reasonably adequate and that the loan will be repaid within the period of the loan.

''(d) ENCOURAGING CONSORTIA.—The Secretary shall encourage the development of consortia to provide telemedicine services or distance learning services, or both, through telecommunications in rural areas served by a telecommunications provider.

''(e) COOPERATION WITH OTHER AGENCIES.—The Secretary shall cooperate, to the extent practicable, with other Federal and State agencies with similar grant or loan programs to pool resources for funding meritorious proposals in rural areas.

''(f) INFORMATIONAL EFFORTS.—The Secretary shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this chapter.

''SEC. 2335. REGULATIONS.

''Not later than 180 days after the effective date of the Agricultural Reform and Improvement Act of 1996, the Secretary shall issue regulations to carry out this chapter.

''SEC. 2335A. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this chapter $100,000,000 for each of fiscal years 1996 through 2002.''.

SEC. 705. LIMITATION ON AUTHORIZATION OF APPROPRIATIONS FOR RURAL TECHNOLOGY GRANTS.

Section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4034) is amended—

(1) by striking ''(a) IN GENERAL.—''; and

(2) by striking subsection (b).

SEC. 706. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

Section 2382 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 13 U.S.C. 141 note) is repealed.

SEC. 707. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

Section 2385 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 950aaa–4 note) is repealed.

SEC. 708. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

Section 2391 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 2662 note) is repealed.

SEC. 709. CENSUS OF AGRICULTURE.

Section 2392 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4057) is repealed.

CHAPTER 2—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

SEC. 721. DEFINITIONS.

Section 1657(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901(c)) is amended—

(1) by striking paragraphs (3) and (4);

(2) by redesignating paragraph (5) as paragraph (3);

(3) by redesignating paragraphs (6) through (12) as paragraphs (7) through (13), respectively; and

(4) by inserting after paragraph (3) (as redesignated by paragraph (2)) the following:

''(4) CORPORATE BOARD.—The term 'Corporate Board' means the Board of Directors of the Corporation described in section 1659.

''(5) CORPORATION.—The term 'Corporation' means the Alternative Agricultural Research and Commercialization Corporation established under section 1658.

''(6) EXECUTIVE DIRECTOR.—The term 'Executive Director' means the Executive Director of the Corporation appointed under section 1659(d)(2).''.

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) IN GENERAL.—Section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) is amended to read as follows:

"SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

''(a) ESTABLISHMENT.—To carry out this subtitle, there is created a body corporate to be known as the Alternative Agricultural Research and Commercialization Corporation, which shall be an agency of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary, except as specifically provided for in this subtitle.

''(b) PURPOSE.—The purpose of the Corporation is to—

''(1) expedite the development and market penetration of industrial, nonfood, nonfeed products from agricultural and forestry materials; and

''(2) assist the private sector in bridging the gap between research results and the commercialization of the research.

''(c) PLACE OF INCORPORATION.—The Corporation shall be located in the District of Columbia.

''(d) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the Washington, D.C. metropolitan area.

''(e) WHOLLY-OWNED GOVERNMENT CORPORATION.—The Corporation shall be considered a wholly-owned government corporation for purposes of chapter 91 of title 31, United States Code.

''(f) GENERAL POWERS.—In addition to any other powers granted to the Corporation under this subtitle, the Corporation—

''(1) shall have succession in its corporate name;

''(2) may adopt, alter, and rescind any bylaw and adopt and alter a corporate seal, which shall be judicially noticed;

''(3) may enter into any agreement or contract with a person or private or governmental agency, except that the Corporation shall not provide any financial assistance unless specifically authorized under this subtitle;

''(4) may lease, purchase, accept a gift or donation of, or otherwise acquire, use, own, hold, improve, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest in property, as the Corporation considers necessary in the transaction of the business of the Corporation, except that this paragraph shall not provide authority for carrying out a program of real estate investment;

''(5) may sue and be sued in the corporate name of the Corporation, except that—

''(A) no attachment, injunction, garnishment, or similar process shall be issued against the Corporation or property of the Corporation; and

''(B) exclusive original jurisdiction shall reside in the district courts of the United States, but the Corporation may intervene in any court in any suit, action, or proceeding in which the Corporation has an interest;

''(6) may independently retain legal representation;

''(7) may provide for and designate such committees, and the functions of the committees, as the Corporate Board considers necessary or desirable,

''(8) may indemnify the Executive Director and other officers of the Corporation, as the Corporate Board considers necessary and desirable, except that the Executive Director and officers shall not be indemnified for an act outside the scope of employment;

''(9) may, with the consent of any board, commission, independent establishment, or executive department of the Federal Government, including any field service, use information, services, facilities, officials, and employees in carrying out this subtitle, and pay for the use, which payments shall be credited to the applicable appropriation that incurred the expense;

''(10) may obtain the services and fix the compensation of any consultant and otherwise procure temporary and intermittent services under section 3109(b) of title 5, United States Code;

''(11) may use the United States mails on the same terms and conditions as the Executive agencies of the Federal Government;

''(12) shall have the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from bankrupt, insolvent, or deceased creditors;

''(13) may collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;

''(14) shall determine the character of, and necessity for, obligations and expenditures of the Corporation and the manner in which the obligations and expenditures shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations;

''(15) may make final and conclusive settlement and adjustment of any claim by or against the Corporation or a fiscal officer of the Corporation;

''(16) may sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Corporation; and

''(17) may exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation to carry out this subtitle and the powers, purposes, functions, duties, and authorized activities of the Corporation.

''(g) SPECIFIC POWERS.—To carry out this subtitle, the Corporation shall have the authority to—

''(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

''(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

''(3) collect and disseminate information concerning State, regional, and local commercialization projects;

''(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce the products;

''(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Revolving Fund to facilitate the conduct of activities under this subtitle; and

''(6) engage in other activities incident to carrying out the functions of the Corporation.''.

(b) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraph (N) (relating to the Uranium Enrichment Corporation) as subparagraph (O); and

(2) by adding at the end the following:

''(P) the Alternative Agricultural Research and Commercialization Corporation.''.

(c) CONFORMING AMENDMENT.—Section 211(b)(5) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6911(b)(5)) is amended by striking ''Alternative Agricultural Research and Commercialization Board'' and inserting ''Corporate Board of the Alternative Agricultural Research and Commercialization Corporation''.

SEC. 723. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

(a) IN GENERAL.—Section 1659 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5903) is amended to read as follows:

"SEC. 1659. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

''(a) IN GENERAL.—The powers of the Corporation shall be vested in a Corporate Board.

''(b) MEMBERS OF THE CORPORATE BOARD.—The Corporate Board shall consist of 10 members as follows:

''(1) The Under Secretary of Agriculture for Rural Economic and Community Development.

''(2) The Under Secretary of Agriculture for Research, Education, and Economics.

''(3) 4 members appointed by the Secretary, of whom—

''(A) at least 1 member shall be a representative of the leading scientific disciplines relevant to the activities of the Corporation;

''(B) at least 1 member shall be a producer or processor of agricultural commodities; and

''(C) at least 1 member shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

''(4) 2 members appointed by the Secretary who—

''(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and

''(B) shall be appointed from a group of at least 4 individuals nominated by the Director of the National Science Foundation if the nominations are made within 60 days after the date a vacancy occurs.

''(5) 2 members appointed by the Secretary who—

''(A) have expertise in financial and managerial matters; and

''(B) shall be appointed from a group of at least 4 individuals nominated by the Secretary of Commerce if the nominations are made within 60 days after the date a vacancy occurs.

''(c) RESPONSIBILITIES OF THE CORPORATE BOARD.—

''(1) IN GENERAL.—The Corporate Board shall—

''(A) be responsible for the general supervision of the Corporation and Regional Centers established under section 1663;

''(B) determine (in consultation with Regional Centers) high priority commercialization areas to receive assistance under section 1663;

''(C) review any grant, contract, or cooperative agreement to be made or entered into by the Corporation under section 1660 and any financial assistance to be provided under section 1661;

''(D) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

''(E) using the results of the hearings and other information and data collected under paragraph (2), develop and establish a budget plan and a long-term operating plan to carry out this subtitle.

''(2) AUTHORITY OF THE SECRETARY.—

''(A) IN GENERAL.—The Secretary shall vacate and remand to the Board for reconsideration any decision made pursuant to paragraph (1)(D) if the Secretary determines that there has been a violation of subsection (j), or any conflict of interest provisions of the bylaws of the Board, with respect to the decision.

''(B) REASONS.—In the case of any violation and referral of a funding decision to the Board, the Secretary shall inform the Board of the reasons for any remand pursuant to subparagraph (A).

''(d) CHAIRPERSON.—The members of the Corporate Board shall select a Chairperson

from among the members of the Corporate Board. The term of office of the Chairperson shall be 2 years. The members referred to in paragraphs (1) and (2) of subsection (b) may not serve as Chairperson.

''(e) EXECUTIVE DIRECTOR.—

''(1) IN GENERAL.—The Executive Director of the Corporation shall be the chief executive officer of the Corporation, with such power and authority as may be conferred by the Corporate Board. The Executive Director shall be appointed by the Corporate Board. The appointment shall be subject to the approval of the Secretary.

''(2) COMPENSATION.—The Executive Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(f) OFFICERS.—The Corporate Board shall establish the offices and appoint the officers of the Corporation, including a Secretary, and define the duties of the officers in a manner consistent with this subtitle.

''(g) MEETINGS.—The Corporate Board shall meet at least 3 times each fiscal year at the call of the Chairperson or at the request of the Executive Director. The location of the meetings shall be subject to approval of the Executive Director. A quorum of the Corporate Board shall consist of a majority of the members. The decisions of the Corporate Board shall be made by majority vote.

''(h) TERM; VACANCIES.—

''(1) IN GENERAL.—The term of office of a member of the Corporate Board shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of the term. A vacancy on the Corporate Board shall be filled in the same manner as the original appointment. The Secretary shall not remove a member of the Corporate Board except for cause.

''(2) TRANSITION MEASURE.—An individual who is serving on the Alternative Agricultural Research and Commercialization Board on the day before the effective date of the Agricultural Reform and Improvement Act of 1996 may be appointed to the Corporate Board by the Secretary for a term that does not exceed the term of the individual on the Alternative Agricultural Research and Commercialization Board if the Act had not been enacted.

''(i) COMPENSATION.—A member of the Corporate Board who is an officer or employee of the United States shall not receive any additional compensation by reason of service on the Corporate Board. Any other member shall receive, for each day (including travel time) the member is engaged in the performance of the functions of the Corporate Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for Level IV of the Executive Schedule. A member of the Corporate Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of the duties of the member.

''(j) CONFLICT OF INTEREST; FINANCIAL DISCLOSURE.—

''(1) CONFLICT OF INTEREST.—Except as provided in paragraph (3), no member of the Corporate Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, the member, spouse, or child of the member, partner, or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom the member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

''(2) VIOLATIONS.—Action by a member of the Corporate Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of the member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member participated.

''(3) EXCEPTIONS.—The prohibitions contained in paragraph (1) shall not apply if a member of the Corporate Board advises the Corporate Board of the nature of the particular matter in which the member proposes to participate, and if the member makes a full disclosure of the financial interest, prior to any participation, and the Corporate Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member's services to the Corporation in that matter. The member involved shall not vote on the determination.

''(4) FINANCIAL DISCLOSURE.—A Board member shall be subject to the financial disclosure requirements applicable to a special Government employee (as defined in section 202(a) of title 18, United States Code).

''(k) DELEGATION OF AUTHORITY.—

''(1) IN GENERAL.—The Corporate Board may, by resolution, delegate to the Chairperson, the Executive Director, or any other officer or employee any function, power, or duty assigned to the Corporation under this subtitle, other than a function, power, or duty expressly vested in the Corporate Board by subsections (c) through (n).

''(2) PROHIBITION ON DELEGATION.—Notwithstanding any other law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Corporate Board, the Chairperson, the Executive Director, or the Corporation of any power, function, or authority not expressly authorized by this subtitle, unless the delegation is made pursuant to an authority in law that expressly makes reference to this section.

''(3) REORGANIZATION ACT.—Notwithstanding any other law, the President (through authorities provided under chapter 9, title 5, United States Code) may not authorize the transfer to the Corporation of any power, function, or authority in addition to powers, functions, and authorities provided by law.

''(l) BYLAWS.—Notwithstanding section 1658(f)(2), the Corporate Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Corporation. The Corporate Board shall not adopt any bylaw that has not been reviewed and approved by the Secretary.

''(m) ORGANIZATION.—The Corporate Board shall provide a system of organization to fix responsibility and promote efficiency.

''(n) PERSONNEL AND FACILITIES OF CORPORATION.—

''(1) APPOINTMENT AND COMPENSATION OF PERSONNEL.—The Corporation may select and appoint officers, attorneys, employees, and agents, who shall be vested with such powers and duties as the Corporation may determine.

''(2) USE OF FACILITIES AND SERVICES OF THE DEPARTMENT OF AGRICULTURE.—Notwithstanding any other provision of law, to perform the responsibilities of the Corporation under this subtitle, the Corporation may partially or jointly utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Corporation.

''(3) GOVERNMENT EMPLOYMENT LAWS.—An officer or employee of the Corporation shall be subject to all laws of the United States relating to governmental employment.''.

(b) CONFORMING AMENDMENT.—Section 5315 of title V, United States Code, is amended by adding at the end the following:

''Executive Director of the Alternative Agricultural Research and Commercialization Corporation.''.

SEC. 724. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

Section 1660 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5904) is amended—

(1) by striking ''Center'' each place it appears and inserting ''Corporation'';

(2) in subsection (c), by striking ''Board'' and inserting ''Corporate Board''; and

(3) in subsection (f), by striking ''non-Center'' and inserting ''non-Corporation''.

SEC. 725. COMMERCIALIZATION ASSISTANCE.

Section 1661 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5905) is amended—

(1) by striking ''Center'' each place it appears and inserting ''Corporation'';

(2) by striking ''Board'' each place it appears and inserting ''Corporate Board'';

(3) by striking subsection (c);

(4) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

(5) in subsection (c) (as so redesignated)—

(A) in the subsection heading of paragraph (1), by striking ''DIRECTOR'' and inserting ''EXECUTIVE DIRECTOR''; and

(B) by striking ''Director'' each place it appears and inserting ''Executive Director''.

SEC. 726. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

Section 1662 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5906) is amended—

(1) by striking ''Center'' each place it appears (except in subsection (b)) and inserting ''Corporation'';

(2) by striking ''Board'' each place it appears and inserting ''Corporate Board''; and

(3) in subsection (b)—

(A) in the second sentence, by striking ''Board, a Regional Center, or the Advisory Council'' and inserting ''Board or a Regional Center''; and

(B) by striking the third sentence.

SEC. 727. REGIONAL CENTERS.

Section 1663 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907) is amended—

(1) by striking ''Board'' each place it appears and inserting ''Corporate Board'';

(2) in subsection (e)(8), by striking ''Center'' and inserting ''Corporation''; and

(3) in subsection (f)—

(A) in paragraph (2), by striking ''in consultation with the Advisory Council appointed under section 1661(c)''; and

(B) by striking paragraphs (3) and (4) and inserting the following:

''(3) RECOMMENDATION.—The Regional Director, based on the comments of the reviewers, shall make and submit a recommendation to the Board. A recommendation submitted by a Regional Director shall not be binding on the Board.''.

SEC. 728. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

Section 1664 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908) is amended to read as follows:

''SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

''(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The Fund shall be available to the Corporation, without fiscal

year limitation, to carry out the authorized programs and activities of the Corporation under this subtitle.

''(b) CONTENTS OF FUND.—There shall be deposited in the Fund—

''(1) such amounts as may be appropriated or transferred to support programs and activities of the Corporation;

''(2) payments received from any source for products, services, or property furnished in connection with the activities of the Corporation;

''(3) fees and royalties collected by the Corporation from licensing or other arrangements relating to commercialization of products developed through projects funded in whole or part by grants, contracts, or cooperative agreements executed by the Corporation;

''(4) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Corporation;

''(5) donations or contributions accepted by the Corporation to support authorized programs and activities; and

''(6) any other funds acquired by the Corporation.

''(c) FUNDING ALLOCATIONS.—Funding of projects and activities under this subtitle shall be subject to the following restrictions:

''(1) Of the total amount of funds made available for a fiscal year under this subtitle—

''(A) not more than the lesser of 15 percent or $3,000,000 may be set aside to be used for authorized administrative expenses of the Corporation in carrying out the functions of the Corporation;

''(B) not more than 1 percent may be set aside to be used for generic studies and specific reviews of individual proposals for financial assistance; and

''(C) except as provided in subsection (e), not less than 84 percent shall be set aside to be awarded to qualified applicants who file project applications with, or respond to requests for proposals from, the Corporation under sections 1660 and 1661.

''(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Corporation for the next fiscal year.

''(d) AUTHORIZED ADMINISTRATIVE EXPENSES.—For the purposes of this section, authorized administrative expenses shall include all ordinary and necessary expenses, including all compensation for personnel and consultants, expenses for computer usage, or space needs of the Corporation and similar expenses. Funds authorized for administrative expenses shall not be available for the acquisition of real property.

''(e) PROJECT MONITORING.—The Board may establish, in the bylaws of the Board, a percent of funds provided under subsection (c), not to exceed 1 percent per project award, for any commercialization project to be expended from project awards that shall be used to ensure that project funds are being utilized in accordance with the project agreement.

''(f) TERMINATION OF THE FUND.—On expiration of the authority provided by this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

''(g) AUTHORIZATION OF APPROPRIATIONS; CAPITALIZATION.—

''(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Fund $75,000,000 for each of fiscal years 1996 through 2002.

''(2) CAPITALIZATION.—The Executive Director may pay as capital of the Corporation, from amounts made available through annual appropriations, $75,000,000 for each of fiscal years 1996 through 2002. On the payment of capital by the Executive Director, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

''(3) TRANSFER.—All obligations, assets, and related rights and responsibilities of the Alternative Agricultural Research and Commercialization Center established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) (as in effect on the day before the effective date of the Agricultural Reform and Improvement Act of 1996) are transferred to the Corporation.''.

SEC. 729. PROCUREMENT PREFERENCES FOR PRODUCTS RECEIVING CORPORATION ASSISTANCE.

Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is amended by adding at the end the following:

''SEC. 1665. PROCUREMENT OF ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION PRODUCTS.

''(a) DEFINITION OF EXECUTIVE AGENCY.—In this section, the term 'executive agency' has the meaning provided the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

''(b) PROCUREMENT.—To further the achievement of the purposes specified in section 1657(b), an executive agency may, for any procurement involving the acquisition of property, establish set-asides and preferences for property that has been commercialized with assistance provided under this subtitle.

''(c) SET-ASIDES.—Procurements solely for property may be set-aside exclusively for products developed with commercialization assistance provided under section 1661.

''(d) PREFERENCES.—Preferences for property developed with assistance provided under this subtitle in procurements involving the acquisition of property may be—

''(1) a price preference, if the procurement is solely for property, of not greater than a percentage to be determined within the sole discretion of the head of the procuring agency; or

''(2) a technical evaluation preference included as an award factor or subfactor as determined within the sole discretion of the head of the procuring agency.

''(e) NOTICE.—Each competitive solicitation or invitation for bids selected by an executive agency for a set-aside or preference under this section shall contain a provision notifying offerors where a list of products eligible for the set aside or preference may be obtained.

''(f) ELIGIBILITY.—Offerors shall receive the set aside or preference required under this section if, in the case of products developed with financial assistance under—

''(1) section 1660, less than 10 years have elapsed since the expiration of the grant, cooperative agreement, or contract;

''(2) paragraph (1) or (2) of section 1661(a), less than 5 years have elapsed since the date the loan was made or insured;

''(3) section 1661(a)(3), less than 5 years have elapsed since the date of sale of any remaining government equity interest in the company; or

''(4) section 1661(a)(4), less than 5 years have elapsed since the date of the final payment on the repayable grant.''.

SEC. 730. BUSINESS PLAN AND FEASIBILITY STUDY AND REPORT.

(a) BUSINESS PLAN.—Not later than 180 days after the date of enactment of this Act, the Alternative Agricultural Research and Commercialization Corporation established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) shall—

(1) develop a 5-year business plan pursuant to section 1659(c)(1)(E) of the Food, Agriculture, Conservation, and Trade Act of 1990 (as amended by section 723); and

(2) submit the plan to the Secretary of Agriculture, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(b) FEASIBILITY STUDY AND REPORT.—

(1) STUDY.—The Secretary of Agriculture shall conduct a study of and prepare a report on the continued feasibility of the Alternative Agricultural Research and Commercialization Corporation. In conducting the study, the Secretary shall examine options for privatizing the Corporation and converting the Corporation to a Government sponsored enterprise.

(2) REPORT.—Not later than December 31, 2001, the Secretary shall transmit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Subtitle B—Amendments to the Consolidated Farm and Rural Development Act

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. WATER AND WASTE FACILITY LOANS AND GRANTS.

(a) IN GENERAL.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended—

(1) in the first sentence of paragraph (2), by striking ''$500,000,000'' and inserting ''$590,000,000'';

(2) by striking paragraph (7) and inserting the following:

''(7) DEFINITION OF RURAL AND RURAL AREAS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2), the terms 'rural' and 'rural area' shall mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.'';

(3) by striking paragraphs (9), (10), and (11) and inserting the following:

''(9) CONFORMITY WITH STATE DRINKING WATER STANDARDS.—No Federal funds shall be made available under this section unless the Secretary determines that the water system seeking funding will make significant progress toward meeting the standards established under title XIV of the Public Health Service Act (commonly known as the 'Safe Drinking Water Act') (42 U.S.C. 300f et seq.).

''(10) CONFORMITY WITH FEDERAL AND STATE WATER POLLUTION CONTROL STANDARDS.—In the case of a water treatment discharge or waste disposal system seeking funding, no Federal funds shall be made available under this section unless the Secretary determines that the effluent from the system conforms with applicable Federal and State water pollution control standards.

''(11) RURAL BUSINESS OPPORTUNITY GRANTS.—

''(A) IN GENERAL.—The Secretary may make grants, not to exceed $1,500,000 annually, to public bodies, private nonprofit community development corporations or entities, or such other agencies as the Secretary may select to enable the recipients—

''(i) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

''(ii) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

''(iii) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and the enhancement of the capacity of local individuals and entities to engage in sound economic activities;

''(iv) to conduct regional, community, and local economic development planning and coordination, and leadership development; and

''(v) to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets.

''(B) CRITERIA.—In awarding the grants, the Secretary shall consider, among other criteria to be established by the Secretary—

''(i) the extent to which the applicant provides development services in the rural service area of the applicant; and

''(ii) the capability of the applicant to carry out the purposes of this section.

''(C) COORDINATION.—The Secretary shall ensure, to the maximum extent practicable, that assistance provided under this paragraph is coordinated with and delivered in cooperation with similar services or assistance provided to rural residents by the Cooperative State Research, Education, and Extension Service or other Federal agencies.

''(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $7,500,000 for each of fiscal years 1996 through 2002.'';

(4) by striking paragraphs (14) and (15); and

(5) in paragraph (16)—

(A) by striking ''(16)(A) The'' and inserting the following:

''(16) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

''(A) IN GENERAL.—The'';

(B) in subparagraph (A)—

(i) by striking ''(i) identify'' and inserting the following:

''(i) identify'';

(ii) by striking ''(ii) prepare'' and inserting the following:

''(ii) prepare''; and

(iii) by striking ''(iii) improve'' and inserting the following:

''(iii) improve'';

(C) in subparagraph (B), by striking ''(B) In'' and inserting the following:

''(B) SELECTION PRIORITY.—In''; and

(D) in subparagraph (C)—

(i) by striking ''(C) Not'' and inserting the following:

''(C) FUNDING.—Not''; and

(ii) by striking ''2 per centum of any funds provided in Appropriations Acts'' and inserting ''3 percent of any funds appropriated''.

(b) CONFORMING AMENDMENTS.—

(1) Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as amended by section 651(a)(2)) is further amended—

(A) by striking clause (ii); and

(B) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(2) The second sentence of section 309A(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(a)) is amended by striking '', 306(a)(14),''.

SEC. 742. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALL COMMUNITIES.

Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—

(1) in subsection (e)—

(A) by striking paragraph (1) and inserting the following:

''(1) MAXIMUM INCOME.—No grant provided under this section may be used to assist any rural area or community that has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States.''; and

(B) in paragraph (2), by striking ''5,000'' and inserting ''3,000''; and

(2) by striking subsection (i) and inserting the following:

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for each of fiscal years 1996 through 2002.''.

SEC. 743. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALLEST COMMUNITIES.

Section 306B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926b) is repealed.

SEC. 744. AGRICULTURAL CREDIT INSURANCE FUND.

Section 309(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(f)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

SEC. 745. RURAL DEVELOPMENT INSURANCE FUND.

Section 309A(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(g)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

SEC. 746. INSURED WATERSHED AND RESOURCE CONSERVATION AND DEVELOPMENT LOANS.

Section 310A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1931) is repealed.

SEC. 747. RURAL INDUSTRIALIZATION ASSISTANCE.

(a) IN GENERAL.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—

(1) in subsection (b), by striking ''(b)(1)'' and all that follows through ''(2) The'' and inserting the following:

''(b) SOLID WASTE MANAGEMENT GRANTS.—The'';

(2) in subsection (c)—

(A) by striking ''(c)(1) The'' and inserting the following:

''(c) RURAL BUSINESS ENTERPRISE GRANTS.—

''(1) IN GENERAL.—The'';

(B) in paragraph (1), by inserting ''(including nonprofit entities)'' after ''private business enterprises''; and

(C) in paragraph (2)—

(i) by striking ''(2) The'' and inserting the following:

''(2) PASSENGER TRANSPORTATION SERVICES OR FACILITIES.—The''; and

(ii) by striking ''make grants'' and inserting ''award grants on a competitive basis''; and

(3) by striking subsections (e), (g), (h), and (i);

(4) by redesignating subsections (f) and (j) as subsections (e) and (f), respectively;

(5) by striking subsection (e) (as so redesignated) and inserting the following:

''(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

''(1) DEFINITIONS.—In this subsection:

''(A) NONPROFIT INSTITUTION.—The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

''(B) UNITED STATES.—The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

''(2) GRANTS.—The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

''(3) GOALS.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

''(4) APPLICATION.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

''(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

''(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

''(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

''(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

''(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

''(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

''(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

''(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

''(vi) Programs providing for the coordination of services and sharing of information among the center.

''(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

''(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

''(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

''(G) Provisions for—

''(i) monitoring and evaluating the activities by the nonprofit institution operating the center; and

''(ii) accounting for money received by the institution under this section.

''(5) AWARDING GRANTS.—Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

''(A) demonstrate a proven track record in administering a nationally coordinated, regionally or State-wide operated project;

''(B) demonstrate previous expertise in providing technical assistance in rural areas;

''(C) demonstrate the ability to assist in the retention of existing businesses, facilitate the establishment of new cooperatives and new cooperative approaches, and generate new employment opportunities that will improve the economic conditions of rural areas;

''(D) demonstrate the ability to create horizontal linkages among businesses within and among various sectors in rural America and vertical linkages to domestic and international markets;

''(E) commit to providing technical assistance and other services to underserved and economically distressed areas in rural America; and

''(F) commit to providing greater than a 25 percent matching contribution with private funds and in-kind contributions.

''(6) TWO-YEAR GRANTS.—The Secretary shall evaluate programs receiving assistance under this subsection and, if the Secretary determines it to be in the best interest of the Federal Government, the Secretary may approve grants under this subsection for up to 2 years.

''(7) TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

''(8) GRANTS TO DEFRAY ADMINISTRATIVE COSTS.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

''(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 1996 through 2002.''; and

(6) by adding at the end the following:

''(g) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

''(1) DEFINITION OF FARMER.—In this subsection, the term 'farmer' means any farmer that meets the family farmer definition, as determined by the Secretary.

''(2) LOAN GUARANTEES.—The Secretary may guarantee loans under this section to individual farmers for the purpose of purchasing capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

''(3) ELIGIBILITY.—To be eligible for a loan guarantee under this subsection, a farmer must produce the agricultural commodity that will be processed by the cooperative.

''(4) COLLATERAL.—To be eligible for a loan guarantee under this subsection for the establishment of a cooperative, the borrower of the loan must pledge collateral to secure at least 25 percent of the amount of the loan.''.

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as redesignated by section 741(b)(1)(B)) is amended by striking ''subsections (d) and (e) of section 310B'' and inserting ''section 310B(d)''.

(2) Section 232(c)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6942(c)(2)) is amended—

(A) by striking ''310B(b)(2)'' and inserting ''310B(b)''; and

(B) by striking ''1932(b)(2)'' and inserting ''1932(b)''.

(3) Section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).

SEC. 748. ADMINISTRATION.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended—

(1) by inserting after ''claims'' the following: ''(including debts and claims arising from loan guarantees)'';

(2) by striking ''Farmers Home Administration or'' and inserting ''Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, or a successor agency, or''; and

(3) by inserting after ''activities under the Housing Act of 1949.'' the following: ''In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph.''.

SEC. 749. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 338 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1988) is amended—

(1) by striking subsections (b), (c), (d), and (e); and

(2) by redesignating subsection (f) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by inserting after ''section 338(c)'' the following: ''(before the amendment made by section 447(a)(1) of the Agricultural Reform and Improvement Act of 1996)''.

(2) Section 343(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(b)) is amended by striking ''338(f),'' and inserting ''338(b),''.

SEC. 750. TESTIMONY BEFORE CONGRESSIONAL COMMITTEES.

Section 345 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1993) is repealed.

SEC. 751. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

Section 363 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006e) is amended by adding at the end the following: ''This section shall not apply to a loan made or guaranteed under this title for a utility line.''.

SEC. 752. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

The Consolidated Farm and Rural Development Act is amended by inserting after section 363 (7 U.S.C. 2006e) the following:

''SEC. 364. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

''(a) CERTIFIED LENDERS PROGRAM.—

''(1) IN GENERAL.—The Secretary may establish a program under which the Secretary may guarantee a loan for any rural development program that is made by a lender certified by the Secretary.

''(2) CERTIFICATION REQUIREMENTS.—The Secretary may certify a lender if the lender meets such criteria as the Secretary may prescribe in regulations, including the ability of the lender to properly make, service, and liquidate the guaranteed loans of the lender.

''(3) CONDITION OF CERTIFICATION.—As a condition of certification, the Secretary may require the lender to undertake to service the guaranteed loan using standards that are not less stringent than generally accepted banking standards concerning loan servicing that are used by prudent commercial or cooperative lenders.

''(4) GUARANTEE.—Notwithstanding any other provision of law, the Secretary may guarantee not more than 80 percent of a loan made by a certified lender described in paragraph (1), if the borrower of the loan meets the eligibility requirements and such other criteria for the loan guarantee that are established by the Secretary.

''(5) CERTIFICATIONS.—With respect to loans to be guaranteed, the Secretary may permit a certified lender to make appropriate certifications (as provided in regulations issued by the Secretary) —

''(A) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of the operation; and

''(B) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

''(6) RELATIONSHIP TO OTHER REQUIREMENTS.—This subsection shall not affect the responsibility of the Secretary to determine eligibility, review financial information, and otherwise assess an application.

''(b) PREFERRED CERTIFIED LENDERS PROGRAM.—

''(1) IN GENERAL.—The Secretary may establish a preferred certified lenders program for lenders who establish their—

''(A) knowledge of, and experience under, the program established under subsection (a);

''(B) knowledge of the regulations concerning the particular guaranteed loan program; and

''(C) proficiency related to the certified lender program requirements.

''(2) ADDITIONAL LENDING INSTITUTIONS.—The Secretary may certify any lending institution as a preferred certified lender if the institution meets such additional criteria as the Secretary may prescribe by regulation.

''(3) REVOCATION OF DESIGNATION.—The designation of a lender as a preferred certified lender shall be revoked if the Secretary determines that the lender is not adhering to the rules and regulations applicable to the program or if the loss experiences of a preferred certified lender are greater than other preferred certified lenders, except that the suspension or revocation shall not affect any outstanding guarantee.

''(4) CONDITION OF CERTIFICATION.—As a condition of the preferred certification, the Secretary shall require the lender to undertake to service the loan guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each preferred certified lender to ensure that the conditions of the certification are being met.

''(5) EFFECT OF PREFERRED LENDER CERTIFICATION.—Notwithstanding any other provision of law, the Secretary may—

''(A) guarantee not more than 80 percent of any approved loan made by a preferred certified lender as described in this subsection, if the borrower meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary; and

''(B) permit preferred certified lenders to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to creditworthiness, the

closing, monitoring, collection, and liquidation of loans, and to accept appropriate certifications, as provided in regulations issued by the Secretary, that the borrower is in compliance with all requirements of law and regulations issued by the Secretary.''.

SEC. 753. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Section 365 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 2310 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007) is amended—

(A) in subsection (a), by striking ''or the program established in sections 365 and 366 of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)'';

(B) in subsection (b)—

(i) by striking ''STATES.—'' and all that follows through ''PARTNERSHIPS.—The'' in paragraph (1) and inserting ''STATES.—The''; and

(ii) by striking paragraph (2);

(C) in subsection (c)—

(i) by striking ''PROJECTS.—'' and all that follows through ''PARTNERSHIPS.—Chapter'' in paragraph (1) and inserting ''PROJECTS.—Chapter'';

(ii) by striking ''subsection (b)(1)'' and inserting ''subsection (b)''; and

(iii) by striking paragraph (2); and

(D) in subsection (d), by striking ''and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)''.

(2) Section 2375 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6613) is amended—

(A) in subsection (e), by striking '', as defined in section 365(b)(2) of the Consolidated Farm and Rural Development Act,''; and

(B) by adding at the end the following:

''(g) DEFINITION OF DESIGNATED RURAL DEVELOPMENT PROGRAM.—In this section, the term 'designated rural development program' means a program carried out under section 304(b), 306(a), or 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(b), 1926(a), and 1932(e)), or under section 1323 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1932 note), for which funds are available at any time during the fiscal year under the section.''.

(3) Paragraph (2) of section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) (as redesignated by section 747(b)(3)(B)) is amended by striking ''sections 365 through 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008-2008d)'' and inserting ''section 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008d)''.

SEC. 754. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

Section 366 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008a) is repealed.

SEC. 755. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

Section 367 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008b) is repealed.

SEC. 756. ALLOCATION AND TRANSFER OF LOAN GUARANTEE AUTHORITY.

Section 368 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008c) is repealed.

SEC. 757. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

The Consolidated Farm and Rural Development Act (as amended by section 641) is amended by adding at the end the following:

''SEC. 375. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

''(a) DEFINITIONS.—In this section:

''(1) BOARD.—The term 'Board' means the Board of Directors established under subsection (f).

''(2) CENTER.—The term 'Center' means the National Sheep Industry Improvement Center established under subsection (b).

''(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

''(A) a public, private, or cooperative organization;

''(B) an association, including a corporation not operated for profit;

''(C) a federally recognized Indian Tribe; or

''(D) a public or quasi-public agency.

''(4) FUND.—The term 'Fund' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

''(b) ESTABLISHMENT OF CENTER.—The Secretary shall establish a National Sheep Industry Improvement Center.

''(c) PURPOSES.—The purposes of the Center shall be to—

''(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance the production and marketing of lamb and wool in the United States;

''(2) optimize the use of available human capital and resources within the sheep industry;

''(3) provide assistance to meet the needs of the sheep industry for infrastructure development, business development, production, resource development, and market and environmental research;

''(4) advance activities that empower and build the capacity of the United States sheep industry to design unique responses to the special needs of the lamb and wool industries on both a regional and national basis; and

''(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep industry.

''(d) STRATEGIC PLAN.—

''(1) IN GENERAL.—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

''(2) REQUIREMENTS.—A strategic plan shall identify—

''(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

''(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

''(C) funding priorities;

''(D) selection criteria for funding; and

''(E) a method of distributing funding.

''(e) REVOLVING FUND.—

''(1) ESTABLISHMENT.—There is established in the Treasury the Natural Sheep Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

''(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

''(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

''(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

''(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

''(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;

''(E) donations or contributions accepted by the Center to support authorized programs and activities; and

''(F) any other funds acquired by the Center.

''(3) USE OF FUND.—

''(A) IN GENERAL.—The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d).

''(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c).

''(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

''(D) VARIETY OF LOANS AND GRANTS.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term grants and loans.

''(E) ADMINISTRATION.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

''(F) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

''(G) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

''(H) USES OF FUND.—The Center may use amounts in the Fund to—

''(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

''(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

''(iii) provide security for, or make principle or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

''(iv) accrue interest;

''(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan; or

''(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center.

''(4) LOANS.—

''(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

''(B) TERM.—The term of a loan may not exceed the shorter of—

''(i) the useful life of the activity financed; or

''(ii) 40 years.

''(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

''(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

''(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

''(6) FUNDING.—

''(A) DEPOSIT OF FUNDS.—All Federal and non-Federal amounts received by the Center

to carry out this section shall be deposited in the Fund.

''(B) MANDATORY FUNDS.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

''(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

''(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the earlier of—

''(i) the date that is 10 years after the effective date of this section; or

''(ii) the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

''(f) BOARD OF DIRECTORS.—

''(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

''(2) POWERS.—The Board shall—

''(A) be responsible for the general supervision of the Center;

''(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

''(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

''(D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.

''(3) COMPOSITION.—The Board shall be composed of—

''(A) 7 voting members, of whom—

''(i) 4 members shall be active producers of sheep in the United States;

''(ii) 2 members shall have expertise in finance and management; and

''(iii) 1 member shall have expertise in lamb and wool marketing; and

''(B) 2 nonvoting members, of whom—

''(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

''(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

''(4) ELECTION.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

''(A) consists only of sheep producers in the United States; and

''(B) has as the primary interest of the organization the production of lamb and wool in the United States.

''(5) TERM OF OFFICE.—

''(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

''(B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

''(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

''(6) VACANCY.—

''(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.

''(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

''(7) CHAIRPERSON.—

''(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

''(B) TERM.—The term of office of the chairperson shall be 2 years.

''(8) ANNUAL MEETING.—

''(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).

''(B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

''(9) VOTING.—

''(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

''(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

''(10) CONFLICTS OF INTEREST.—

''(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

''(i) the member;

''(ii) any spouse of the member;

''(iii) any child of the member;

''(iv) any partner of the member;

''(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

''(vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

''(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

''(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

''(D) DISCLOSURE.—

''(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest.

''(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

''(E) REMANDS.—

''(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

''(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

''(11) COMPENSATION.—

''(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

''(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

''(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

''(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

''(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

''(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

''(g) OFFICERS AND EMPLOYEES.—

''(1) EXECUTIVE DIRECTOR.—

''(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

''(B) TENURE.—The executive director shall serve at the pleasure of the Board.

''(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

''(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

''(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

''(h) CONSULTATION.—To carry out this section, the Board may consult with—

''(1) State departments of agriculture;

''(2) Federal departments and agencies;

''(3) nonprofit development corporations;

''(4) colleges and universities;

''(5) banking and other credit-related agencies;

''(6) agriculture and agribusiness organizations; and

''(7) regional planning and development organizations.

''(i) OVERSIGHT.—

''(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

''(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

''(A) cease making deposits to the Fund;

''(B) suspend the authority of the Center to withdraw funds from the Fund; or

''(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

''(3) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under paragraph (2) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance shall be promptly corrected.''.

CHAPTER 2—RURAL COMMUNITY ADVANCEMENT PROGRAM

SEC. 761. RURAL COMMUNITY ADVANCEMENT PROGRAM.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle E—Rural Community Advancement Program

"SEC. 381A. DEFINITIONS.

''In this subtitle:

''(1) RURAL AND RURAL AREA.—The terms 'rural' and 'rural area' mean, subject to section 306(a)(7), a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

''(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia,

the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Federated States of Micronesia.

"SEC. 381B. ESTABLISHMENT.

''The Secretary shall establish a rural community advancement program to provide grants, loans, loan guarantees, and other assistance to meet the rural development needs of local communities in States and federally recognized Indian tribes.

"SEC. 381C. NATIONAL OBJECTIVES.

''The national objectives of the program established under this subtitle shall be to—

''(1) promote strategic development activities and collaborative efforts by State and local communities, and federally recognized Indian tribes, to maximize the impact of Federal assistance;

''(2) optimize the use of resources;

''(3) provide assistance in a manner that reflects the complexity of rural needs, including the needs for business development, health care, education, infrastructure, cultural resources, the environment, and housing;

''(4) advance activities that empower, and build the capacity of, State and local communities to design unique responses to the special needs of the State and local communities, and federally recognized Indian tribes, for rural development assistance; and

''(5) adopt flexible and innovative approaches to solving rural development problems.

"SEC. 381D. STRATEGIC PLANS.

''(a) IN GENERAL.—The Secretary shall direct each of the Directors of Rural Economic and Community Development State Offices to prepare a strategic plan for each State for the delivery of assistance under this subtitle within the State.

''(b) ASSISTANCE.—

''(1) IN GENERAL.—Financial assistance for rural development allocated for a State under this subtitle shall be used only for orderly community development that is consistent with the strategic plan of the State.

''(2) RURAL AREA.—Assistance under this subtitle may only be provided in a rural area.

''(3) SMALL COMMUNITIES.—In carrying out this subtitle within a State, the Secretary shall give priority to communities with the smallest populations and lowest per capita income.

''(c) REVIEW.—The Secretary shall review the strategic plan of a State at least once every 5 years.

''(d) CONTENTS.—A strategic plan of a State under this section shall be a plan that—

''(1) coordinates economic, human, and community development plans and related activities proposed for an affected area;

''(2) provides that the State and an affected community (including local institutions and organizations that have contributed to the planning process) shall act as full partners in the process of developing and implementing the plan;

''(3) identifies goals, methods, and benchmarks for measuring the success of carrying out the plan and how the plan relates to local or regional ecosystems;

''(4) provides for the involvement, in the preparation of the plan, of State, local, private, and public persons, State rural development councils, federally-recognized Indian tribes, and community-based organizations;

''(5) identifies the amount and source of Federal and non-Federal resources that are available for carrying out the plan; and

''(6) includes such other information as may be required by the Secretary.

"SEC. 381E. ACCOUNTS.

''(a) IN GENERAL.—Notwithstanding any other provision of law, for each fiscal year, the Secretary shall consolidate into 3 accounts, corresponding to the 3 function categories established under subsection (c), the amounts made available for programs included in each function category.

''(b) ALLOCATION WITHIN ACCOUNT.—The Secretary shall allocate the amounts in each account for such program purposes authorized for the corresponding function category among the States, as the Secretary may determine in accordance with this subtitle.

''(c) FUNCTION CATEGORIES.—For purposes of subsection (a):

''(1) RURAL HOUSING AND COMMUNITY DEVELOPMENT.—The rural housing and community development category shall include funds made available for—

''(A) community facility direct and guaranteed loans provided under section 306(a)(1);

''(B) community facility grants provided under section 306(a)(21); and

''(C) rental housing loans for new housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485).

''(2) RURAL UTILITIES.—The rural utilities category shall include funds made available for—

''(A) water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a);

''(B) rural water and wastewater technical assistance and training grants provided under section 306(a)(16);

''(C) emergency community water assistance grants provided under section 306A; and

''(D) solid waste management grants provided under section 310B(b).

''(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

''(A) rural business opportunity grants provided under section 306(a)(11)(A);

''(B) business and industry guaranteed loans provided under section 310B(a)(1); and

''(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

''(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

''(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

''(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

''(3) rural cooperative development grants provided under section 310B(e); and

''(4) grants to broadcasting systems provided under section 310B(f).

''(e) TRANSFER.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may transfer within each State up to 25 percent of the total amount allocated for a State under each function category referred to in subsection (c) for each fiscal year under this section to any other function category, or to a program referred to in subsection (d), but excluding State grants under section 381G.

''(2) LIMITATION.—Not more than 10 percent of the total amount (excluding grants to States under section 381G) made available for any fiscal year for the programs covered by each of the 3 function categories referred to in subsection (c), and the programs referred to in subsection (d), shall be available for the transfer.

''(f) AVAILABILITY OF FUNDS.—The Secretary may make available funds appropriated for the programs referred to in subsection (c) to defray the cost of any subsidy associated with a guarantee provided under section 381H, except that not more than 5 percent of the funds provided under subsection (c) may be made available within a State.

"SEC. 381F. ALLOCATION.

''(a) NATIONAL RESERVE.—The Secretary may use not more than 10 percent of the total amount of funds made available for a fiscal year under section 381E to establish a national reserve for rural development that may be used by the Secretary in rural areas during the fiscal year to—

''(1) meet situations of exceptional need;

''(2) provide incentives to promote or reward superior performance; or

''(3) carry out performance-oriented demonstration projects.

''(b) INDIAN TRIBES.—

''(1) RESERVATION.—The Secretary shall reserve not less than 3 percent of the total amounts made available for a fiscal year under section 381E to carry out rural development programs specified in subsections (c) and (d) of section 381D for federally recognized Indian tribes.

''(2) ALLOCATION.—The Secretary shall establish a formula for allocating the reserve and shall administer the reserve through the appropriate Director of the Rural Economic and Cooperative Development State office.

''(c) STATE ALLOCATION.—

''(1) IN GENERAL.—The Secretary shall allocate among all the States the amounts made available under section 381E in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

''(2) MINIMUM ALLOCATION.—In making the allocations for each of fiscal years 1996 through 2002, the Secretary shall ensure that the percentage allocation for each State is equal to the percentage of the average of the total funds made available to carry out the programs referred to in section 381E(c) that were obligated in the State for each of fiscal years 1993 and 1994.

"SEC. 381G. GRANTS TO STATES.

''(a) IN GENERAL.—Subject to subsection (c), the Secretary shall grant to any eligible State from which a request is received for a fiscal year 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

''(b) ELIGIBILITY.—To be eligible to receive a grant under this section, the Secretary shall require that the State maintain the grant funds received and any non-Federal matching funds to carry out this subtitle in a separate account, to remain available until expended.

''(c) MATCHING FUNDS.—For any fiscal year, if non-Federal matching funds are provided for a State in an amount that is equal to 200 percent or more of an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c), the Secretary shall pay to the State the grant provided under this subsection in an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

''(d) USE OF FUNDS.—The Secretary shall require that funds provided to a State under this section be used in rural areas to achieve the purposes of the programs referred to in section 381E(c) in accordance with the strategic plan referred to in section 381D.

''(e) MAINTENANCE OF EFFORT.—The State shall provide assurances that funds received under this section will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for rural development assistance in the State.

''(f) APPEALS.—The Secretary shall provide to a State an opportunity for an appeal of any action taken under this section.

''(g) ADMINISTRATIVE COSTS.—Federal funds shall not be used for any administrative costs incurred by a State in carrying out this subtitle.

''(h) SPENDING OF FUNDS BY STATE.—

''(1) IN GENERAL.—Payments to a State from a grant under this section for a fiscal year shall be obligated by the State in the fiscal year or in the succeeding fiscal year. A State shall obligate funds under this section to provide assistance to rural areas pursuant, to the maximum extent practicable, to applications received from the rural areas.

''(2) FAILURE TO OBLIGATE.—If a State fails to obligate payments in accordance with paragraph (1), the Secretary shall make a corresponding reduction in the amount of payments provided to the State under this section for the subsequent fiscal year.

''(3) NONCOMPLIANCE.—

''(A) REVIEW.—The Secretary shall review and monitor State compliance with this section.

''(B) PENALTY.—If the Secretary finds that there has been misuse of grant funds provided under this section, or noncompliance with any of the terms and conditions of a grant, after reasonable notice and opportunity for a hearing—

''(i) the Secretary shall notify the State of the finding; and

''(ii) no further payments to the State shall be made with respect to the programs funded under this section until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

''(C) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (B), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (B), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

''(i) NO ENTITLEMENT TO CONTRACT, GRANT, OR ASSISTANCE.—Nothing in this subtitle—

''(1) entitles any person to assistance or a contract or grant; or

''(2) limits the right of a State to impose additional limitations or conditions on assistance or a contract or grant under this section.

''SEC. 381H. GUARANTEE AND COMMITMENT TO GUARANTEE LOANS.

''(a) DEFINITION OF ELIGIBLE PUBLIC ENTITY.—In this section, the term 'eligible public entity' means any unit of general local government.

''(b) GUARANTEE AND COMMITMENT.—The Secretary is authorized, on such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by eligible public entities, or by public agencies designated by the eligible public entities, for the purposes of financing rural development assistance activities authorized and funded under section 381G.

''(c) PREREQUISITES.—No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this section (excluding any amount repaid under the contract entered into under subsection (e)(1)(A)) would exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 381G.

''(d) PAYMENT OF PRINCIPAL, INTEREST, AND COSTS.—Notwithstanding any other provision of this subtitle, grants allocated to an issuer pursuant to this subtitle (including program income derived from the grants) shall be authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on the notes or other obligations guaranteed pursuant to this section.

''(e) REPAYMENT CONTRACT; SECURITY.—

''(1) IN GENERAL.—To ensure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving the guarantees, the Secretary shall require the issuer to—

''(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed under this section;

''(B) pledge any grant for which the issuer may become eligible under this subtitle; and

''(C) furnish, at the discretion of the Secretary, such other security as may be considered appropriate by the Secretary in making the guarantees.

''(2) SECURITY.—To assist in ensuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this subtitle as security for notes or other obligations and charges issued under this section by any unit of general local government in the State.

''(f) PLEDGED GRANTS FOR REPAYMENTS.—Notwithstanding any other provision of this subtitle, the Secretary is authorized to apply grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (e) to any repayments due the United States as a result of the guarantees.

''(g) OUTSTANDING OBLIGATIONS.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to subsection (b) shall not at any time exceed such amount as may be authorized to be appropriated for any fiscal year.

''(h) PURCHASE OF GUARANTEED OBLIGATIONS BY FEDERAL FINANCING BANK.—Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.

''(i) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed obligations.

''SEC. 381I. LOCAL INVOLVEMENT.

''The Secretary shall require that an applicant for assistance under this subtitle demonstrate evidence of significant community support.

''SEC. 381J. STATE-TO-STATE COLLABORATION.

''The Secretary shall permit the establishment of voluntary pooling arrangements among States, and regional fund-sharing agreements, to carry out this subtitle.

''SEC. 381K. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

''(a) IN GENERAL.—The Secretary shall designate up to 10 community development venture capital organizations to demonstrate the utility of guarantees to attract increased private investment in rural private business enterprises.

''(b) RURAL BUSINESS INVESTMENT POOL.—

''(1) ESTABLISHMENT.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall establish a rural business private investment pool (referred to in this subsection as a 'pool') for the purpose of making equity investments in rural private business enterprises.

''(2) GUARANTEE.—From funds allocated for the national reserve under section 381F(a), the Secretary shall guarantee the funds in a pool against loss, except that the guarantee shall not exceed an amount equal to 30 percent of the total funds in the pool.

''(3) AMOUNT.—The Secretary shall issue guarantees covering not more than $15,000,000 of obligations for each of fiscal years 1996 through 2002.

''(4) TERM.—The term of a guarantee provided under this subsection shall not exceed 10 years.

''(5) SUBMISSION OF PLAN.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall submit a plan that describes—

''(A) potential sources and uses of the pool to be established by the organization;

''(B) the utility of the guarantee authority in attracting capital for the pool; and

''(C) on selection, mechanisms for notifying State, local, and private nonprofit business development organizations and businesses of the existence of the pool.

''(6) COMPETITION.—

''(A) IN GENERAL.—The Secretary shall conduct a competition for the designation and establishment of pools.

''(B) PRIORITY.—In conducting the competition, the Secretary shall give priority to organizations that—

''(i) have a demonstrated record of performance or have a board and executive director with experience in venture capital, small business equity investments, or community development finance;

''(ii) propose to serve low-income communities;

''(iii) propose to maintain an average investment of not more than $500,000 from the pool of the organization;

''(iv) invest funds statewide or in a multicounty region; and

''(v) propose to target job opportunities resulting from the investments primarily to economically disadvantaged individuals.

''(C) GEOGRAPHIC DIVERSITY.—To the extent practicable, the Secretary shall select organizations in diverse geographic areas.

''SEC. 381L. ANNUAL REPORT.

''(a) IN GENERAL.—The Secretary, in collaboration with public, State, local, and private entities, State rural development councils, and community-based organizations, shall prepare an annual report that contains evaluations, assessments, and performance outcomes concerning the rural community advancement programs carried out under this subtitle.

''(b) SUBMISSION.—Not later than March 1 of each year, the Secretary shall—

''(1) submit the report required under subsection (a) to Congress and the chief executives of States participating in the program established under this subtitle; and

''(2) make the report available to State and local participants.

''SEC. 381M. RURAL DEVELOPMENT INTERAGENCY WORKING GROUP.

''(a) IN GENERAL.—The Secretary shall provide leadership within the Executive branch for, and assume responsibility for, establishing an interagency working group chaired by the Secretary.

''(b) DUTIES.—The working group shall establish policy, provide coordination, make recommendations, and evaluate the performance of or for all Federal rural development efforts.

''SEC. 381N. DUTIES OF RURAL ECONOMIC AND COMMUNITY DEVELOPMENT STATE OFFICES.

''In carrying out this subtitle, the Director of a Rural Economic and Community Development State Office shall—

''(1) to the maximum extent practicable, ensure that the State strategic plan is implemented;

''(2) coordinate community development objectives within the State;

''(3) establish links between local, State, and field office program administrators of the Department of Agriculture;

''(4) ensure that recipient communities comply with applicable Federal and State laws and requirements; and

''(5) integrate State development programs with assistance under this subtitle.

''SEC. 381O. ELECTRONIC TRANSFER.

''The Secretary shall transfer funds in accordance with this subtitle through electronic transfer as soon as practicable after the effective date of this subtitle.''.

SEC. 762. COMMUNITY FACILITIES GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

''(21) COMMUNITY FACILITIES GRANT PROGRAM.—

''(A) IN GENERAL.—The Secretary may make grants, in a total amount not to exceed $10,000,000 for any fiscal year, to associations, units of general local government, nonprofit corporations, and federally recognized Indian tribes to provide the Federal share of the cost of developing specific essential community facilities in rural areas.

''(B) FEDERAL SHARE.—

''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the amount of the Federal share of the cost of the facility under this paragraph.

''(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph shall not exceed 75 percent of the cost of developing a facility.

''(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary.''.

Subtitle C—Amendments to the Rural Electrification Act of 1936

SEC. 771. PURPOSES; INVESTIGATIONS AND REPORTS.

Section 2 of the Rural Electrification Act of 1936 (7 U.S.C. 902) is amended—

(1) by striking ''SEC. 2. (a) The Secretary of Agriculture is'' and inserting the following:

''SEC. 2. GENERAL AUTHORITY OF THE SECRETARY OF AGRICULTURE.

''(a) LOANS.—The Secretary of Agriculture (referred to in this Act as the 'Secretary') is'';

(2) in subsection (a)—

(A) by striking ''and the furnishing'' the first place it appears and all that follows through ''central station service''; and

(B) by striking ''systems; to make'' and all that follows through the period at the end of the subsection and inserting ''systems''; and

(3) by striking subsection (b) and inserting the following:

''(b) INVESTIGATIONS AND REPORTS.—The Secretary may make, or cause to be made, studies, investigations, and reports regarding matters, including financial, technological, and regulatory matters, affecting the condition and progress of electric, telecommunications, and economic development in rural areas and publish and disseminate information with respect to the matters.''.

SEC. 772. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 3 of the Rural Electrification Act of 1936 (7 U.S.C. 903) is amended to read as follows:

''SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as are necessary to carry out this Act.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 301(a) of the Rural Electrification Act of 1936 (7 U.S.C. 931(a)) is amended—

(A) by striking ''(a)''; and

(B) in paragraph (3), by striking ''notwithstanding section 3(a) of title I,''.

(2) Section 302(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 932(b)(2)) is amended by striking ''pursuant to section 3(a) of this Act''.

(3) The last sentence of section 406(a) of the Rural Electrification Act of 1936 (7 U.S.C. 946(a)) is amended by striking ''pursuant to section 3(a) of this Act''.

SEC. 773. LOANS FOR ELECTRICAL PLANTS AND TRANSMISSION LINES.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) in the first sentence—

(A) by striking ''for the furnishing of'' and all that follows through ''central station service and''; and

(B) by striking ''the provisions of sections 3(d) and 3(e) but without regard to the 25 per centum limitation therein contained,'' and inserting ''section 3,'';

(2) in the second sentence, by striking '': *Provided further,* That all'' and all that follows through ''loan: *And provided further,* That'' and inserting '', except that''; and

(3) in the third sentence, by striking ''and section 5''.

SEC. 774. LOANS FOR ELECTRICAL AND PLUMBING EQUIPMENT.

(a) IN GENERAL.—Section 5 of the Rural Electrification Act of 1936 (7 U.S.C. 905) is repealed.

(b) CONFORMING AMENDMENTS.—Section 12(a) of the Rural Electrification Act of 1936 (7 U.S.C. 912(a)) is amended—

(1) by striking '': *Provided, however,* That'' and inserting '', except that,''; and

(2) by striking '', and with respect to any loan made under section 5,'' and all that follows through ''section 3''.

SEC. 775. TESTIMONY ON BUDGET REQUESTS.

Section 6 of the Rural Electrification Act of 1936 (7 U.S.C. 906) is amended by striking the second sentence.

SEC. 776. TRANSFER OF FUNCTIONS OF ADMINISTRATION CREATED BY EXECUTIVE ORDER.

Section 8 of the Rural Electrification Act of 1936 (7 U.S.C. 908) is repealed.

SEC. 777. ANNUAL REPORT.

Section 10 of the Rural Electrification Act of 1936 (7 U.S.C. 910) is repealed.

SEC. 778. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

The Rural Electrification Act of 1936 is amended by inserting after section 16 (7 U.S.C. 916) the following:

''SEC. 17. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

''The Secretary shall establish rules and procedures that prohibit borrowers under title III or under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from conditioning or limiting access to, or the use of, water and waste facility services financed under the Consolidated Farm and Rural Development Act if the conditioning or limiting is based on whether individuals or entities in the area served or proposed to be served by the facility receive, or will accept, electric service from the borrower.''.

SEC. 779. TELEPHONE LOAN TERMS AND CONDITIONS.

Section 309 of the Rural Electrification Act of 1936 (7 U.S.C. 939) is amended—

(1) in subsection (a), by striking ''(a) IN GENERAL.—''; and

(2) by striking subsection (b).

SEC. 780. PRIVATIZATION PROGRAM.

Section 311 of the Rural Electrification Act of 1936 (7 U.S.C. 940a) is repealed.

SEC. 781. RURAL BUSINESS INCUBATOR FUND.

(a) IN GENERAL.—Section 502 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa–1) is repealed.

(b) CONFORMING AMENDMENTS.—Section 501 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa) is amended—

(1) in paragraph (5), by inserting ''and'' at the end;

(2) in paragraph (6), by striking ''; and'' at the end and inserting a period; and

(3) by striking paragraph (7).

Subtitle D—Miscellaneous Rural Development Provisions

SEC. 791. INTEREST RATE FORMULA.

(a) BANKHEAD-JONES FARM TENANT ACT.—Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011) is amended by striking the fifth sentence and inserting the following: ''A loan under this subsection shall be made under a contract that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan in not more than 30 years, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.''.

(b) WATERSHED PROTECTION AND FLOOD PREVENTION ACT.—Section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a) is amended by striking the second sentence and inserting the following: ''A loan or advance under this section shall be made under a contract or agreement that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan or advance in not more than 50 years from the date when the principal benefits of the works of improvement first become available, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.''.

SEC. 792. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.

(a) IN GENERAL.—Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by striking subsection (f).

(b) CONFORMING AMENDMENTS.—

(1) Section 2389 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 2662 note) is amended by striking subsection (d).

(2) Section 503(c) of the Rural Development Act of 1972 (7 U.S.C. 2663(c)) is amended—

(A) in paragraph (1)—

(i) by striking ''(1)'';

(ii) by striking ''section 502(e)'' and all that follows through ''shall be distributed'' and inserting ''subsections (e), (h), and (i) of section 502 shall be distributed''; and

(iii) by striking ''objectives of'' and all that follows through ''title'' and inserting ''objectives of subsections (e), (h), and (i) of section 502''; and

(B) by striking paragraph (2).

SEC. 793. COOPERATIVE AGREEMENTS.

(a) Section 607(b) of the Rural Development Act of 1972 (7 U.S.C. 2204b(b)) is amended by striking paragraph (4) and inserting the following:

''(4) COOPERATIVE AGREEMENTS.—

''(A) IN GENERAL.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into cooperative agreements with other Federal agencies, State

and local governments, and any other organization or individual to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas, including the establishment and financing of interagency groups, if the Secretary determines that the objectives of the agreement will serve the mutual interest of the parties in rural development activities.

''(B) COOPERATORS.—Each cooperator, including each Federal agency, to the extent that funds are otherwise available, may participate in any cooperative agreement or working group established pursuant to this paragraph by contributing funds or other resources to the Secretary to carry out the agreement or functions of the group.''.

(b) Notwithstanding any other provision of law, section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended in subparagraph (F)—

(i) by striking ''exceed 15 percent'' and all that follows through ''Code'' and inserting the following: ''exceed—

''(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.''.

TITLE VIII—RESEARCH EXTENSION AND EDUCATION

Subtitle A—Amendments to National Agricultural Research, Extension, and Teaching Policy Act of 1977 and Related Statutes

SEC. 801. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended to read as follows:

''SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

''The purposes of federally supported agricultural research, extension, and education are to—

''(1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;

''(2) increase the long-term productivity of the United States agriculture and food industry while protecting the natural resource base on which rural America and the United States agricultural economy depend;

''(3) develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;

''(4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;

''(5) improve risk management in the United States agriculture industry;

''(6) improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that are environmentally sound;

''(7) support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; and

''(8) maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.''.

SEC. 802. SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH.

Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by striking the second through fifth sentences.

SEC. 803. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

(a) IN GENERAL.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(A) by striking paragraph (9); and

(B) by redesignating paragraphs (10) through (18) as paragraphs (9) through (17), respectively.

(2) Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended—

(A) in paragraph (5), by striking ''Joint Council, Advisory Board,'' and inserting ''Advisory Board''; and

(B) in paragraph (11), by striking ''the Joint Council,''.

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking ''the recommendations of the Joint Council developed under section 1407(f),''.

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is amended—

(A) in the section heading, by striking ''**JOINT COUNCIL, ADVISORY BOARD,**'' and inserting ''**ADVISORY BOARD**'';

(B) in subsection (a)—

(i) by striking ''Joint Council, the Advisory Board,'' and inserting ''Advisory Board'';

(ii) by striking ''the cochairpersons of the Joint Council and'' each place it appears; and

(iii) in paragraph (2), by striking ''one shall serve as the executive secretary to the Joint Council, one shall serve as the executive secretary to the Advisory Board,'' and inserting ''1 shall serve as the executive secretary to the Advisory Board''; and

(C) in subsections (b) and (c), by striking ''Joint Council, Advisory Board,'' each place it appears and inserting ''Advisory Board''.

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended—

(A) in subsection (a), by striking ''Joint Council, the Advisory Board,'' and inserting ''Advisory Board'';

(B) in subsection (b), by striking ''Joint Council, Advisory Board,'' and inserting ''Advisory Board''; and

(C) by striking subsection (d).

(6) Section 1434(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(c)) is amended—

(A) in the second sentence, by striking ''Joint Council, the Advisory Board,'' and inserting ''Advisory Board''; and

(B) in the fourth sentence, by striking ''the Joint Council,''.

SEC. 804. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) IN GENERAL.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended to read as follows:

''SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

''(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a board to be known as the 'National Agricultural Research, Extension, Education, and Economics Advisory Board'.

''(b) MEMBERSHIP.—

''(1) IN GENERAL.—The Advisory Board shall consist of 25 members, appointed by the Secretary.

''(2) SELECTION OF MEMBERS.—The Secretary shall appoint members to the Advisory Board from individuals who are selected from national farm, commodity, agribusiness, environmental, consumer, and other organizations directly concerned with agricultural research, education, and extension programs.

''(3) REPRESENTATION.—A member of the Advisory Board may represent 1 or more of the organizations referred to in paragraph (2), except that 1 member shall be a representative of the scientific community that is not closely associated with agriculture. The Secretary shall ensure that the membership of the Advisory Board includes full-time farmers and ranchers and represents the interests of the full variety of stakeholders in the agricultural sector.

''(c) DUTIES.—The Advisory Board shall—

''(1) review and provide consultation to the Secretary and land-grant colleges and universities on long-term and short-term national policies and priorities, as set forth in section 1402, relating to agricultural research, extension, education, and economics;

''(2) evaluate the results and effectiveness of agricultural research, extension, education, and economics with respect to the policies and priorities;

''(3) review and make recommendations to the Under Secretary of Agriculture for Research, Education, and Economics on the research, extension, education, and economics portion of the draft strategic plan required under section 306 of title 5, United States Code; and

''(4) review the mechanisms of the Department of Agriculture for technology assessment (which should be conducted by qualified professionals) for the purposes of—

''(A) performance measurement and evaluation of the implementation by the Secretary of the strategic plan required under section 306 of title 5, United States Code;

''(B) implementation of the national research policies and priorities set forth in section 1402; and

''(C) the development of mechanisms for the assessment of emerging public and private agricultural research and technology transfer initiatives.

''(d) CONSULTATION.—In carrying out this section, the Advisory Board shall solicit opinions and recommendations from persons who will benefit from and use federally funded agricultural research, extension, education, and economics.

''(e) APPOINTMENT.—A member of the Advisory Board shall be appointed by the Secretary for a term of up to 3 years. The members of the Advisory Board shall be appointed to serve staggered terms.

''(f) FEDERAL ADVISORY COMMITTEE ACT.—The Advisory Board shall be deemed to have filed a charter for the purpose of section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.).

''(g) TERMINATION.—The Advisory Board shall remain in existence until September 30, 2002.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(1)) is amended by striking ''National Agricultural Research and Extension Users Advisory Board'' and inserting ''National Agricultural Research, Extension, Education, and Economics Advisory Board''.

(2) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking ''the recommendations of the

Advisory Board developed under section 1408(g),'' and inserting ''any recommendations of the Advisory Board''.

(3) The last sentence of section 4(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1673(a)) is amended by striking ''National Agricultural Research and Extension Users Advisory Board'' and inserting ''National Agricultural Research, Extension, Education, and Economics Advisory Board''.

SEC. 805. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

(a) IN GENERAL.—Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) (as amended by section 803(b)(1)(B)) is further amended—

(A) in paragraph (15), by adding ''and'' at the end;

(B) in paragraph (16), by striking ''; and'' and inserting a period; and

(C) by striking paragraph (17).

(2) Section 1405(12) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121(12)) is amended by striking '', after coordination with the Technology Board,''.

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) (as amended by section 804(b)(2)) is further amended by striking ''and the recommendations of the Technology Board developed under section 1408A(d)''.

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) (as amended by section 803(b)(4)) is further amended—

(A) in the section heading, by striking ''**AND TECHNOLOGY BOARD**'';

(B) in subsection (a)—

(i) by striking ''and the Technology Board'' each place it appears; and

(ii) in paragraph (2), by striking ''and one shall serve as the executive secretary to the Technology Board''; and

(C) in subsections (b) and (c), by striking ''and Technology Board'' each place it appears.

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) (as amended by section 803(b)(5)) is further amended—

(A) in subsection (a), by striking ''or the Technology Board''; and

(B) in subsection (b), by striking ''and the Technology Board''.

SEC. 806. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR FEDERAL-STATE COOPERATIVE PROGRAMS.

Section 1409A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a) is amended by adding at the end the following:

''(e) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—

''(1) PUBLIC MEETINGS.—All meetings of any entity described in paragraph (2) shall be publicly announced in advance and shall be open to the public. Detailed minutes of meetings and other appropriate records of the activities of such an entity shall be kept and made available to the public on request.

''(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity that—

''(A) is created for the purpose of cooperative efforts in agricultural research, extension, or teaching; and

''(B) consists entirely of full-time Federal employees and individuals who are employed by, or who are officials of, a State cooperative institution or a State cooperative agent.''.

SEC. 807. COORDINATION AND PLANNING OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Subtitle B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121 et seq.) is amended by adding at the end the following:

''SEC. 1413A. ACCOUNTABILITY.

''(a) IN GENERAL.—The Secretary shall develop and carry out a system to monitor and evaluate agricultural research and extension activities conducted or supported by the Federal Government that will enable the Secretary to measure the impact of research, extension, and education programs according to priorities, goals, and mandates established by law.

''(b) CONSISTENCY WITH OTHER REQUIREMENTS.—The system shall be developed and carried out in a manner that is consistent with the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285) and amendments made by the Act.

''SEC. 1413B. IMMINENT OR EMERGING THREATS TO FOOD SAFETY AND ANIMAL AND PLANT HEALTH.

''In the case of any activities of an agency of the Department of Agriculture that relate to food safety, animal or plant health, research, education, or technology transfer, the Secretary may transfer up to 5 percent of any amounts made available to the agency for a fiscal year to an agency of the Department of Agriculture reporting to the Under Secretary of Agriculture for Research, Education, and Economics for the purpose of addressing imminent or emerging threats to food safety and animal and plant health.

''SEC. 1413C. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR COMPETITIVE RESEARCH, EXTENSION, AND EDUCATION PROGRAMS.

''The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity, created solely for the purpose of reviewing applications or proposals requesting funding under any competitive research, extension, or education program carried out by the Secretary.''.

SEC. 808. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) IN GENERAL.—Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (b)—

(A) by inserting before ''for a period'' the following: ''or to research foundations maintained by the colleges and universities,''; and

(B) by striking paragraph (4) and inserting the following:

''(4) to design and implement food and agricultural programs to build teaching and research capacity at primarily minority institutions;'';

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively;

(3) by inserting after subsection (g) the following:

''(h) SECONDARY EDUCATION AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS.—

''(1) AGRISCIENCE AND AGRIBUSINESS EDUCATION.—The Secretary shall—

''(A) promote and strengthen secondary education and 2-year postsecondary education in agriscience and agribusiness in order to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and

''(B) promote complementary and synergistic linkages among secondary, 2-year postsecondary, and higher education programs in the food and agricultural sciences in order to promote excellence in education and encourage more young Americans to pursue and complete a baccalaureate or higher degree in the food and agricultural sciences.

''(2) GRANTS.—The Secretary may make competitive or noncompetitive grants, for grant periods not to exceed 5 years, to public secondary education institutions, 2-year community colleges, and junior colleges that have made a commitment to teaching agriscience and agribusiness—

''(A) to enhance curricula in agricultural education;

''(B) to increase faculty teaching competencies;

''(C) to interest young people in pursuing a higher education in order to prepare for scientific and professional careers in the food and agricultural sciences;

''(D) to promote the incorporation of agriscience and agribusiness subject matter into other instructional programs, particularly classes in science, business, and consumer education;

''(E) to facilitate joint initiatives among other secondary or 2-year postsecondary institutions and with 4-year colleges and universities to maximize the development and use of resources such as faculty, facilities, and equipment to improve agriscience and agribusiness education; and

''(F) to support other initiatives designed to meet local, State, regional, or national needs related to promoting excellence in agriscience and agribusiness education.''; and

(4) in subsection (j) (as so redesignated), by striking ''1995'' and inserting ''2002''.

(b) TRANSFER OF FUNCTIONS AND DUTIES PERTAINING TO THE FUTURE FARMERS OF AMERICA.—

(1) IN GENERAL.—There are transferred to the Secretary of Agriculture all the functions and duties of the Secretary of Education under the Act entitled ''An Act to incorporate the Future Farmers of America, and for other purposes'', approved August 30, 1950 (36 U.S.C. 271 et seq.).

(2) PERSONNEL AND UNEXPENDED BALANCES.—There are transferred to the Department of Agriculture all personnel and balances of unexpended appropriations available for carrying out the duties and functions transferred under paragraph (1).

(3) AMENDMENTS.—The Act entitled ''An Act to incorporate the Future Farmers of America, and for other purposes'', approved August 30, 1950, is amended—

(A) in section 7(c) (36 U.S.C. 277(c)) by striking ''Secretary of Education, the executive secretary shall be a member of the Department of Education'' and inserting ''Secretary of Agriculture, the executive secretary shall be an officer or employee of the Department of Agriculture'';

(B) in section 8(a) (36 U.S.C. 278(a))—

(i) by striking ''Secretary of Education'' and inserting ''Secretary of Agriculture''; and

(ii) by striking ''Department of Education'' and inserting ''Department of Agriculture''; and

(C) in section 18 (36 U.S.C. 288)—

(i) by striking ''Secretary of Education'' each place it appears and inserting ''Secretary of Agriculture''; and

(ii) by striking ''Department of Education'' each place it appears and inserting ''Department of Agriculture''.

SEC. 809. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 810. POLICY RESEARCH CENTERS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (as amended by section 809) is further amended by inserting after section 1418 (7 U.S.C. 3153) the following:

''SEC. 1419. POLICY RESEARCH CENTERS.

''(a) IN GENERAL.—Consistent with this section, the Secretary may make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with, policy research centers to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and that concern the effect of public policies on—

''(1) the farm and agricultural sectors;

''(2) the environment;

''(3) rural families, households and economies; and

''(4) consumers, food, and nutrition.

''(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under subsection (a).

''(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that—

''(1) quantify the implications of public policies and regulations;

''(2) develop theoretical and research methods;

''(3) collect and analyze data for policymakers, analysts, and individuals; and

''(4) develop programs to train analysts.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.''.

SEC. 811. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is amended to read as follows:

''SEC. 1424. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

''(a) AUTHORITY OF SECRETARY.—

''(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, a multi-year research initiative on human nutrition intervention and health promotion.

''(2) EMPHASIS OF INITIATIVE.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

''(A) coordinated longitudinal research assessments of nutritional status; and

''(B) the implementation of unified, innovative intervention strategies;

to identify and solve problems of nutritional inadequacy and contribute to the maintenance of health, well-being, performance, and productivity of individuals, thereby reducing the need of the individuals to use the health care system and social programs of the United States.

''(b) ADMINISTRATION OF FUNDS.—The Administrator of the Agricultural Research Service shall administer funds made available to carry out this section to ensure a coordinated approach to health and nutrition research efforts.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.''.

SEC. 812. FOOD AND NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''fiscal year 1995'' and inserting ''each of fiscal years 1996 through 2002''.

SEC. 813. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended to read as follows:

''SEC. 1429. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

''(a) PURPOSES.—The purposes of this subtitle are to—

''(1) promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals that are essential to the food supply of the United States and the welfare of producers and consumers of animal products;

''(2) improve the health of horses;

''(3) facilitate the effective treatment of, and, to the extent possible, prevent animal and poultry diseases in both domesticated and wild animals that, if not controlled, would be disastrous to the United States livestock and poultry industries and endanger the food supply of the United States;

''(4) improve methods for the control of organisms and residues in food products of animal origin that could endanger the human food supply;

''(5) improve the housing and management of animals to improve the well-being of livestock production species;

''(6) minimize livestock and poultry losses due to transportation and handling;

''(7) protect human health through control of animal diseases transmissible to humans;

''(8) improve methods of controlling the births of predators and other animals; and

''(9) otherwise promote the general welfare through expanded programs of research and extension to improve animal health.

''(b) FINDINGS.—Congress finds that—

''(1) the total animal health and disease research and extension efforts of State colleges and universities and of the Federal Government would be more effective if there were close coordination between the efforts; and

''(2) colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health and related disciplines.''.

SEC. 814. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194) is repealed.

SEC. 815. ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2002'';

(2) in subsection (b)(2)—

(A) by striking ''domestic livestock and poultry'' each place it appears and inserting ''domestic livestock, poultry, and commercial aquaculture species''; and

(B) in the second sentence, by striking ''horses, and poultry'' and inserting ''horses, poultry, and commercial aquaculture species'';

(3) in subsection (d), by striking ''domestic livestock and poultry'' and inserting ''domestic livestock, poultry, and commercial aquaculture species''; and

(4) in subsection (f), by striking ''domestic livestock and poultry'' and inserting ''domestic livestock, poultry, and commercial aquaculture species''.

SEC. 816. ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.

Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended—

(1) in subsection (a)—

(A) by inserting ''or national or regional problems relating to pre-harvest, on-farm food safety, or animal well-being,'' after ''problems,''; and

(B) by striking ''1995'' and inserting ''2002'';

(2) in subsection (b), by striking ''eligible institutions'' and inserting ''State agricultural experiment stations, colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals'';

(3) in subsection (c)—

(A) in the first sentence, by inserting '', food safety, and animal well-being'' after ''animal health and disease''; and

(B) in the fourth sentence—

(i) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(ii) by inserting after paragraph (1) the following:

''(2) any food safety problem that has a significant pre-harvest (on-farm) component and is recognized as posing a significant health hazard to the consuming public;

''(3) issues of animal well-being related to production methods that will improve the housing and management of animals to improve the well-being of livestock production species;'';

(4) in the first sentence of subsection (d), by striking ''to eligible institutions''; and

(5) by adding at the end the following:

''(f) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this subtitle.''.

SEC. 817. RESIDENT INSTRUCTION PROGRAM AT 1890 LAND-GRANT COLLEGES.

Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222a) is repealed.

SEC. 818. GRANT PROGRAM TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking ''$8,000,000 for each of the fiscal years 1991 through 1995'' and inserting ''$15,000,000 for each of fiscal years 1996 through 2002''.

SEC. 819. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AUTHORIZATION.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended—

(1) in subsection (a)(1), by inserting '', or fiscal years 1996 through 2002,'' after ''1995''; and

(2) in subsection (f), by striking ''1995'' and inserting ''2002''.

SEC. 820. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

Section 1458A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292) is repealed.

SEC. 821. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by striking ''1995'' each place it appears and inserting ''2002''.

SEC. 822. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''fiscal year 1995'' and inserting ''each of fiscal years 1995 through 2002''.

SEC. 823. SUPPLEMENTAL AND ALTERNATIVE CROPS RESEARCH.

Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

(1) in subsection (a)—

(A) by striking ''1995'' and inserting ''2002''; and

(B) by striking ''and pilot'';

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking ''at pilot sites'' through ''the area''; and

(ii) in subparagraph (D)—

(I) by striking ''near such pilot sites''; and

(II) by striking ''successful pilot program'' and inserting ''successful program'';

(B) in paragraph (3)—

(i) by striking ''pilot'';

(ii) in subparagraph (C), by striking ''and'' at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

''(E) to conduct fundamental and applied research related to the development of new commercial products derived from natural plant material for industrial, medical, and agricultural applications; and

''(F) to participate with colleges and universities, other Federal agencies, and private sector entities in conducting research described in subparagraph (E).''

SEC. 824. AQUACULTURE ASSISTANCE PROGRAMS.

(a) REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(b) AQUACULTURE RESEARCH FACILITIES.—Section 1476(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3323(b)) is amended by striking ''1995'' and inserting ''2002''.

(c) RESEARCH AND EXTENSION.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking ''1995'' and inserting ''2002''.

SEC. 825. RANGELAND RESEARCH.

(a) REPORTS.—Section 1481 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3334) is repealed.

(b) ADVISORY BOARD.—Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is repealed.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 826. TECHNICAL AMENDMENTS.

The table of contents of the Food and Agriculture Act of 1977 (Public Law 95–113; 91 Stat. 913) is amended—

(1) by striking the item relating to section 1402 and inserting the following:

''Sec. 1402. Purposes of agricultural research, extension, and education.'';

(2) by striking the items relating to sections 1406, 1407, 1408A, 1432, 1446, 1458A, 1481, and 1482;

(3) by striking the item relating to section 1408 and inserting the following:

''Sec. 1408. National Agricultural Research, Extension, Education, and Economics Advisory Board.'';

(4) by striking the item relating to section 1412 and inserting the following:

''Sec. 1412. Support for the Advisory Board.'';

(5) by adding at the end of the items relating to subtitle B of title XIV the following:

''Sec. 1413A. Accountability.

''Sec. 1413B. Imminent or emerging threats to food safety and animal and plant health.

''Sec. 1413C. Federal Advisory Committee Act exemption for competitive research, extension, and education programs.'';

(6) by striking the item relating to section 1419 and inserting the following:

''Sec. 1419. Policy research centers.'';

(7) by striking the item relating to section 1424 and inserting the following:

''Sec. 1424. Human nutrition intervention and health promotion research program.'';

and

(8) by striking the item relating to section 1429 and inserting the following:

''Sec. 1429. Purposes and findings relating to animal health and disease research.''.

Subtitle B—Amendments to Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 831. WATER QUALITY RESEARCH, EDUCATION, AND COORDINATION.

(a) IN GENERAL.—Subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5501 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking '', subtitle G of title XIV,''.

(2) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking '', subtitle G of title XIV,'' each place it appears in subsections (a) and (d).

(3) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking '', subtitle G of title XIV,'' each place it appears in subsections (f) and (g)(11).

SEC. 832. EDUCATION PROGRAM REGARDING HANDLING OF AGRICULTURAL CHEMICALS AND AGRICULTURAL CHEMICAL CONTAINERS.

(a) IN GENERAL.—Section 1499A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125c) is repealed.

(b) CONFORMING AMENDMENT.—Section 1499(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5506(b)) is amended by striking ''and section 1499A''.

SEC. 833. PROGRAM ADMINISTRATION.

(a) IN GENERAL.—Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended—

(1) by striking subsections (b), (c), and (d); and

(2) by redesignating subsection (e) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) Section 1619(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801(b)) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(2) Section 1621(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(c)) is amended—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (E) as subparagraphs (A) through (D), respectively; and

(B) in paragraph (2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(3) Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) (as amended by subsection (a)) is further amended—

(A) in subsection (a)—

(i) by striking paragraph (2);

(ii) in paragraph (3), by striking ''subsection (e)'' and inserting ''subsection (b)''; and

(iii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(B) in subsection (b)(2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(4) Section 1628(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(b)) is amended by striking ''Advisory Council, the Soil Conservation Service,'' and inserting ''Natural Resources Conservation Service''.

SEC. 834. NATIONAL GENETICS RESOURCES PROGRAM.

(a) FUNCTIONS.—Section 1632(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5841(d)) is amended by striking paragraph (4) and inserting the following:

''(4) unless otherwise prohibited by law, have the right to make available on request, without charge and without regard to the country from which the request originates, the genetic material that the program assembles;''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 835. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 836. RESEARCH REGARDING PRODUCTION, PREPARATION, PROCESSING, HANDLING, AND STORAGE OF AGRICULTURAL PRODUCTS.

Subtitle E of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5871 et seq.) is repealed.

SEC. 837. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.

(a) IN GENERAL.—Subtitle F of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5881) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 28(b)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–3(b)(2)(A)) is amended by striking ''and the information required by section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990''.

(2) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking ''and section 1650''.

(3) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C.

5831) is amended by striking ''section 1650,'' each place it appears in subsections (a) and (d).

(4) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking ''section 1650,'' each place it appears in subsections (f) and (g)(11).

SEC. 838. LIVESTOCK PRODUCT SAFETY AND INSPECTION PROGRAM.

Section 1670(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 839. PLANT GENOME MAPPING PROGRAM.

Section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is repealed.

SEC. 840. SPECIALIZED RESEARCH PROGRAMS.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is repealed.

SEC. 841. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 842. NATIONAL CENTERS FOR AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 1675(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5928(g)(1)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 843. TURKEY RESEARCH CENTER AUTHORIZATION.

Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 844. SPECIAL GRANT TO STUDY CONSTRAINTS ON AGRICULTURAL TRADE.

Section 1678 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5931) is repealed.

SEC. 845. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

Section 1679 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5932) is repealed.

SEC. 846. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—

(1) in subsection (a)(6)(B), by striking ''1996'' and inserting ''2002''; and

(2) in subsection (b)(2), by striking ''1996'' and inserting ''2002''.

SEC. 847. DEMONSTRATION PROJECTS.

Section 2348 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2662a) is repealed.

SEC. 848. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 849. GLOBAL CLIMATE CHANGE.

(a) TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 2412 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6710) is amended by striking ''1996'' and inserting ''2002''.

SEC. 850. TECHNICAL AMENDMENTS.

The table of contents of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3359) is amended by striking the items relating to subtitle G of title XIV, section 1499A, subtitles E and F of title XVI, and sections 1671, 1672, 1676, 1678, 1679, 2348, and 2404.

Subtitle C—Miscellaneous Research Provisions

SEC. 861. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

(a) IN GENERAL.—Section 4 of the Critical Agricultural Materials Act (7 U.S.C. 178b) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 862. 1994 INSTITUTIONS.

(a) LAND-GRANT STATUS.—The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note) is amended by striking ''2000'' and inserting ''2002''.

(b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note) is amended by striking ''2000'' each place it appears in subsections (b)(1) and (c) and inserting ''2002''.

SEC. 863. SMITH-LEVER ACT FUNDING FOR 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY AND THE DISTRICT OF COLUMBIA.

(a) ELIGIBILITY FOR FUNDS.—Section 3(d) of the Act of May 8, 1914 (commonly known as the ''Smith-Lever Act'') (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), is amended by adding at the end the following: ''A college or university eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee University, or section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93–471; 88 Stat. 1428) may apply for and receive directly from the Secretary of Agriculture—

''(1) amounts made available under this subsection after September 30, 1995, to carry out programs or initiatives for which no funds were made available under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary; and

''(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under this subsection prior to that date that are in excess of the highest amount made available for the programs or initiatives under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.''.

(b) CONFORMING AMENDMENTS.—

(1) The third sentence of section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by inserting before the period at the end the following: '', except that for the purpose of this calculation, the total appropriations shall not include amounts made available after September 30, 1995, under section 3(d) of the Act of May 8, 1914 (commonly known as the 'Smith-Lever Act') (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary, and shall not include amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to that date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.''.

(2) Section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93–471; 88 Stat. 1428) is amended by adding at the end the following: ''Funds appropriated under this subsection shall be in addition to any amounts provided to the District of Columbia from—

''(1) amounts made available after September 30, 1995, under section 3(d) of the Act to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture; and

''(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to the date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture.''.

SEC. 864. COMMITTEE OF NINE.

Section 3(c)(3) of the Act of March 2, 1887 (Chapter 314; 7 U.S.C. 361c(c)(3)) is amended by striking from '', and shall be used'' through the end of the paragraph and inserting a period.

SEC. 865. AGRICULTURAL RESEARCH FACILITIES.

(a) IN GENERAL.—

(1) RESEARCH FACILITIES.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Research Facilities Act'.

''SEC. 2. DEFINITIONS.

''In this Act:

''(1) AGRICULTURAL RESEARCH FACILITY.—The term 'agricultural research facility' means a proposed facility for research in food and agricultural sciences for which Federal funds are requested by a college, university, or nonprofit institution to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of the facility.

''(2) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' means—

''(A) agriculture, including soil and water conservation and use, the use of organic materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

''(B) the processing, distributing, marketing, and utilization of food and agricultural products;

''(C) forestry, including range management, production of forest and range products. multiple use of forest and rangelands, and urban forestry;

''(D) aquaculture (as defined in section 1404(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(3));

''(E) human nutrition;

''(F) production inputs, such as energy, to improve productivity; and

''(G) germ plasm collection and preservation.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''SEC. 3. REVIEW PROCESS.

''(a) SUBMISSION TO SECRETARY.—Each proposal for an agricultural research facility shall be submitted to the Secretary for review. The Secretary shall review the proposals in the order in which the proposals are received.

''(b) APPLICATION PROCESS.—In consultation with the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives, the Secretary shall establish an application process for the submission of proposals for agricultural research facilities.

''(c) CRITERIA FOR APPROVAL.—

''(1) DETERMINATION BY SECRETARY.—With respect to each proposal for an agricultural research facility submitted under subsection (a), the Secretary shall determine whether the proposal meets the criteria set forth in paragraph (2).

''(2) CRITERIA.—A proposal for an agricultural research facility shall meet the following criteria:

''(A) NON-FEDERAL SHARE.—The proposal shall certify the availability of at least a 50 percent non-Federal share of the cost of the facility. The non-Federal share shall be paid in cash and may include funding from private sources or from units of State or local government.

''(B) NONDUPLICATION OF FACILITIES.—The proposal shall demonstrate how the agricultural research facility would be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region.

''(C) NATIONAL RESEARCH PRIORITIES.—The proposal shall demonstrate how the agricultural research facility would serve—

''(i) 1 or more of the national research policies and priorities set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

''(ii) regional needs.

''(D) LONG-TERM SUPPORT.—The proposal shall demonstrate that the recipient college, university, or nonprofit institution has the ability and commitment to support the long-term, ongoing operating costs of—

''(i) the agricultural research facility after the facility is completed; and

''(ii) each program to be based at the facility.

''(E) STRATEGIC PLAN.—After the development of the strategic plan required by section 4, the proposal shall demonstrate how the agricultural research facility reflects the strategic plan for Federal research facilities.

''(d) EVALUATION OF PROPOSALS.—Not later than 90 days after receiving a proposal under subsection (a), the Secretary shall—

''(1) evaluate and assess the merits of the proposal, including the extent to which the proposal meets the criteria set forth in subsection (c); and

''(2) report to the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives on the results of the evaluation and assessment.

''SEC. 4. STRATEGIC PLAN FOR FEDERAL RESEARCH FACILITIES.

''(a) IN GENERAL.—Not later than September 30, 1997, the Secretary shall develop a comprehensive plan for the development, construction, modernization, consolidation, and closure of federally supported agricultural research facilities.

''(b) FACTORS.—In developing the plan, the Secretary shall consider—

''(1) the need to increase agricultural productivity and to enhance the competitiveness of the United States agriculture and food industry as set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

''(2) the findings of the National Academy of Sciences with respect to programmatic and scientific priorities relating to agriculture.

''(c) IMPLEMENTATION.—The plan shall be developed for implementation over the 10-fiscal year period beginning with fiscal year 1998.

''SEC. 5. APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.

''The Federal Advisory Committee Act (5 U.S.C. App) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et. seq) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this Act.

''SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated such sums as are necessary for fiscal years 1996 through 2002 for the study, plan, design, structure, and related costs of agricultural research facilities under this Act.

''(b) ALLOWABLE ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available for any project for an agricultural research facility shall be available for administration of the project.''.

(2) APPLICATION.—

(A) CURRENT PROJECTS.—The amendment made by paragraph (1), other than section 4 of the Research Facilities Act (as amended by paragraph (1)), shall not apply to any project for an agricultural research facility for which funds have been made available for a feasibility study or for any phase of the project prior to October 1, 1995.

(B) STRATEGIC PLAN.—The strategic plan required by section 4 of the Act shall apply to all federally supported agricultural research facilities, including projects funded prior to the effective date of this title.

(b) AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL FACILITIES.—Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended—

(1) in subsection (a)—

(A) by striking ''(a)''; and

(B) by striking ''1995'' and inserting ''2002''; and

(2) by striking subsection (b).

(c) CONFORMING AMENDMENT.—Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking ''1416,''.

SEC. 866. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

Subsection (b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended—

(1) by striking ''OF APPROPRIATIONS.—There'' and inserting the following: ''AND AVAILABILITY OF APPROPRIATIONS.—

''(A) IN GENERAL.—There'';

(2) by striking ''fiscal year 1995'' and inserting ''each of fiscal years 1995 through 2002'';

(3) by striking ''(A) not'' and inserting the following:

''(i) not'';

(4) by striking ''(B) not'' and inserting the following:

''(ii) not'';

(5) in clause (ii) (as so designated), by striking ''20 percent'' and inserting ''40 percent'';

(6) by striking ''(C) not'' and inserting the following:

''(iii) not'';

(7) by striking ''(D) not'' and inserting the following:

''(iv) not'';

(8) by striking ''(E) not'' and inserting the following:

''(v) not''; and

(9) by adding at the end the following:

''(B) AVAILABILITY.—Funds made available under subparagraph (A) shall be available for obligation for a period of 2 years from the beginning of the fiscal year for which the funds are made available.''.

SEC. 867. COTTON CROP REPORTS.

The Act of May 3, 1924 (43 Stat. 115, chapter 149; 7 U.S.C. 475), is repealed.

SEC. 868. RURAL DEVELOPMENT RESEARCH AND EDUCATION.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended—

(1) in subsection (a), by inserting after the first sentence the following: ''The rural development extension programs shall also promote coordinated and integrated rural community initiatives that advance and empower capacity building through leadership development, entrepreneurship, business development and management training and strategic planning to increase jobs, income, and quality of life in rural communities.'';

(2) by striking subsections (g) and (j); and

(3) by redesignating subsections (h) and (i) as subsections (g) and (h) respectively.

SEC. 869. HUMAN NUTRITION RESEARCH.

Section 1452 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 7 U.S.C. 3173 note) is repealed.

SEC. 870. DAIRY GOAT RESEARCH PROGRAM.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (Public Law 97–98; 7 U.S.C. 3222 note) is amended—

(1) in subsection (a), by striking ''(a)''; and

(2) by striking subsection (b).

SEC. 871. GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES.

(a) IN GENERAL.—Section 1416 of the Food Security Act of 1985 (7 U.S.C. 3224) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1354) is amended by striking the item relating to section 1416.

SEC. 872. STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.

(a) TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE.—

(1) TITLE OF PUBLIC LAW 85–342.—The title of Public Law 85–342 (16 U.S.C. 778 et seq.) is amended by striking ''Secretary of the Interior'' and inserting ''Secretary of Agriculture''.

(2) AUTHORIZATION.—The first section of Public Law 85–342 (16 U.S.C. 778) is amended—

(A) by striking ''Secretary of the Interior'' and all that follows through ''directed to'' and inserting ''Secretary of Agriculture shall'';

(B) by striking ''station and stations'' and inserting ''1 or more centers''; and

(C) in paragraph (5), by striking ''Department of Agriculture'' and inserting ''Secretary of the Interior''.

(3) AUTHORITY.—Section 2 of Public Law 85–342 (16 U.S.C. 778a) is amended by striking '', the Secretary'' and all that follows through ''authorized'' and inserting '', the Secretary of Agriculture is authorized''.

(4) ASSISTANCE.—Section 3 of Public Law 85–342 (16 U.S.C. 778b) is amended—

(A) by striking ''Secretary of the Interior'' and inserting ''Secretary of Agriculture''; and

(B) by striking ''Department of Agriculture'' and inserting ''Secretary of the Interior''.

(b) TRANSFER OF FISH FARMING EXPERIMENTAL LABORATORY TO DEPARTMENT OF AGRICULTURE.—

(1) DESIGNATION OF STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.—

(A) IN GENERAL.—The Fish Farming Experimental Laboratory in Stuttgart, Arkansas (including the facilities in Kelso, Arkansas), shall be known and designated as the ''Stuttgart National Aquaculture Research Center''.

(B) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the laboratory referred to in subparagraph (A) shall be deemed to be a reference to the ''Stuttgart National Aquaculture Research Center''.

(2) TRANSFER OF LABORATORY TO THE DEPARTMENT OF AGRICULTURE.—Subject to section 1531 of title 31, United States Code, not

later than 90 days after the effective date of this title, there are transferred to the Department of Agriculture—

(A) the personnel employed in connection with the laboratory referred to in paragraph (1);

(B) the assets, liabilities, contracts, and real and personal property of the laboratory;

(C) the records of the laboratory; and

(D) the unexpended balance of appropriations, authorizations, allocations and other funds employed, held, arising from, available to, or to be made available in connection with the laboratory.

(3) NONDUPLICATION.—The research center referred to in paragraph (1)(A) shall be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region, as determined by the Administrator of the Service.

SEC. 873. NATIONAL AQUACULTURE POLICY, PLANNING, AND DEVELOPMENT.

(a) DEFINITIONS.—Section 3 of the National Aquaculture Act of 1980 (16 U.S.C. 2802) is amended—

(1) in paragraph (1), by striking ''the propagation'' and all that follows through the period at the end and inserting the following: ''the commercially controlled cultivation of aquatic plants, animals, and microorganisms, but does not include private for-profit ocean ranching of Pacific salmon in a State in which the ranching is prohibited by law.'';

(2) in paragraph (3), by striking ''or aquatic plant'' and inserting ''aquatic plant, or microorganism'';

(3) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(4) by inserting after paragraph (6) the following:

''(7) The term 'private aquaculture' means the commercially controlled cultivation of aquatic plants, animals, and microorganisms other than cultivation carried out by the Federal Government, any State or local government, or an Indian tribe recognized by the Bureau of Indian Affairs.''.

(b) NATIONAL AQUACULTURE DEVELOPMENT PLAN.—Section 4 of the National Aquaculture Act of 1980 (16 U.S.C. 2803) is amended—

(1) in subsection (c)—

(A) in subparagraph (A), by adding ''and'' at the end;

(B) in subparagraph (B), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (C);

(2) in the second sentence of subsection (d), by striking ''Secretaries determine that'' and inserting ''Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that''; and

(3) in subsection (e), by striking ''Secretaries'' and inserting ''Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate,''.

(c) FUNCTIONS AND POWERS OF SECRETARIES.—Section 5(b)(3) of the National Aquaculture Act of 1980 (16 U.S.C. 2804(b)(3)) is amended by striking ''Secretaries deem'' and inserting ''Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, consider''.

(d) COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.—The first sentence of section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)) is amended by striking ''(f)'' and inserting ''(e)''.

(e) NATIONAL POLICY FOR PRIVATE AQUACULTURE.—The National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.) is amended—

(1) by redesignating sections 7, 8, 9, 10, and 11 as sections 8, 9, 10, 11, and 12, respectively; and

(2) by inserting after section 6 (16 U.S.C. 2805) the following:

''SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.

''(a) IN GENERAL.—In consultation with the Secretary of Commerce and the Secretary of the Interior, the Secretary shall coordinate and implement a national policy for private aquaculture in accordance with this section. In developing the policy, the Secretary may consult with other agencies and organizations.

''(b) DEPARTMENT OF AGRICULTURE AQUACULTURE PLAN.—

''(1) IN GENERAL.—The Secretary shall develop and implement a Department of Agriculture Aquaculture Plan (referred to in this section as the 'Department plan') for a unified aquaculture program of the Department of Agriculture (referred to in this section as the 'Department') to support the development of private aquaculture.

''(2) ELEMENTS OF DEPARTMENT PLAN.—The Department plan shall address—

''(A) programs of individual agencies of the Department related to aquaculture that are consistent with Department programs related to other areas of agriculture, including livestock, crops, products, and commodities under the jurisdiction of agencies of the Department;

''(B) the treatment of cultivated aquatic animals as livestock and cultivated aquatic plants as agricultural crops; and

''(C) means for effective coordination and implementation of aquaculture activities and programs within the Department, including individual agency commitments of personnel and resources.

''(c) NATIONAL AQUACULTURE INFORMATION CENTER.—In carrying out section 5, the Secretary may maintain and support a National Aquaculture Information Center at the National Agricultural Library as a repository for information on national and international aquaculture.

''(d) TREATMENT OF AQUACULTURE.—The Secretary shall treat—

''(1) private aquaculture as agriculture; and

''(2) commercially cultivated aquatic animals, plants, and microorganisms, and products of the animals, plants, and microorganisms, produced by private persons and transported or moved in standard commodity channels as agricultural livestock, crops, and commodities.

''(e) PRIVATE AQUACULTURE POLICY COORDINATION, DEVELOPMENT, AND IMPLEMENTATION.—

''(1) RESPONSIBILITY.—The Secretary shall have responsibility for coordinating, developing, and carrying out policies and programs for private aquaculture.

''(2) DUTIES.—The Secretary shall—

''(A) coordinate all intradepartmental functions and activities relating to private aquaculture; and

''(B) establish procedures for the coordination of functions, and consultation with, the coordinating group.

''(f) LIAISON WITH DEPARTMENTS OF COMMERCE AND THE INTERIOR.—The Secretary of Commerce and the Secretary of the Interior shall each designate an officer or employee of the Department of the Secretary to be the liaison of the Department to the Secretary of Agriculture.''.

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of the National Aquaculture Act of 1980 (as redesignated by subsection (e)(1)) is amended by striking ''the fiscal years 1991, 1992, and 1993'' each place it appears and inserting ''fiscal years 1991 through 2002''.

SEC. 874. EXPANSION OF AUTHORITIES RELATED TO THE NATIONAL ARBORETUM.

(a) SOLICITATION OF GIFTS, BENEFITS, AND DEVISES.—The first sentence of section 5 of the Act of March 4, 1927 (89 Stat. 683; 20 U.S.C. 195), is amended by inserting ''solicit,'' after ''authorized to''.

(b) CONCESSIONS, FEES, AND VOLUNTARY SERVICES.—The Act of March 4, 1927 (44 Stat. 1422, chapter 505; 20 U.S.C. 191 et seq.), is amended by adding at the end the following:

''SEC. 6. CONCESSIONS, FEES, AND VOLUNTARY SERVICES.

''(a) IN GENERAL.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and section 321 of the Act of June 30, 1932 (47 Stat. 412, chapter 314; 40 U.S.C. 303b), the Secretary of Agriculture, in furtherance of the mission of the National Arboretum, may—

''(1) negotiate agreements granting concessions at the National Arboretum to nonprofit scientific or educational organizations the interests of which are complementary to the mission of the National Arboretum, except that the net proceeds of the organizations from the concessions shall be used exclusively for research and educational work for the benefit of the National Arboretum;

''(2) provide by concession, on such terms as the Secretary of Agriculture considers appropriate and necessary, for commercial services for food, drink, and nursery sales, if an agreement for a permanent concession under this paragraph is negotiated with a qualified person submitting a proposal after due consideration of all proposals received after the Secretary of Agriculture provides reasonable public notice of the intent of the Secretary to enter into such an agreement;

''(3) dispose of excess property, including excess plants and fish, in a manner designed to maximize revenue from any sale of the property, including by way of public auction, except that this paragraph shall not apply to the free dissemination of new varieties of seeds and germ plasm in accordance with section 520 of the Revised Statutes (commonly known as the 'Department of Agriculture Organic Act of 1862') (7 U.S.C. 2201);

''(4) charge such fees as the Secretary of Agriculture considers reasonable for temporary use by individuals or groups of National Arboretum facilities and grounds for any purpose consistent with the mission of the National Arboretum;

''(5) charge such fees as the Secretary of Agriculture considers reasonable for the use of the National Arboretum for commercial photography or cinematography;

''(6) publish, in print and electronically and without regard to laws relating to printing by the Federal Government, informational brochures, books, and other publications concerning the National Arboretum or the collections of the Arboretum; and

''(7) license use of the National Arboretum name and logo for public service or commercial uses.

''(b) USE OF FUNDS.—Any funds received or collected by the Secretary of Agriculture as a result of activities described in subsection (a) shall be retained in a special fund in the Treasury for the use and benefit of the National Arboretum as the Secretary of Agriculture considers appropriate.

''(c) ACCEPTANCE OF VOLUNTARY SERVICES.—The Secretary of Agriculture may accept the voluntary services of organizations described in subsection (a)(1), and the voluntary services of individuals (including employees of the National Arboretum), for the benefit of the National Arboretum.''.

SEC. 875. STUDY OF AGRICULTURAL RESEARCH SERVICE.

(a) STUDY.—The Secretary of Agriculture shall request the National Academy of

Sciences to conduct a study of the role and mission of the Agricultural Research Service. The study shall—

(1) evaluate the strength of science of the Service and the relevance of the science to national priorities;

(2) examine how the work of the Service relates to the capacity of the United States agricultural research, education, and extension system overall; and

(3) include recommendations, as appropriate.

(b) REPORT.—Not later than 18 months after the effective date of this title, the Secretary shall prepare a report that describes the results of the study conducted under subsection (a) and submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) FUNDING.—The Secretary shall use to carry out this section not more than $500,000 of funds made available to the Agricultural Research Service for research.

SEC. 876. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON.

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

''(f) LAMB AND MUTTON.—

''(1) STANDARDS.—The Secretary, consistent with United States international obligations, shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as 'lamb' or 'mutton'.

''(2) METHOD.—The standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.''.

SEC. 877. SENSE OF SENATE.

It is the sense of the Senate that the Department of Agriculture should continue to make methyl bromide alternative research and extension activities a high priority of the Department: *Provided*, That it is the sense of the Senate that the Department of Agriculture, the Environmental Protection Agency, producer and processor organizations, environmental organizations, and State agencies continue their dialogue on the risks and benefits of extending the 2001 phaseout deadline.

TITLE IX—AGRICULTURAL PROMOTION

Subtitle A—Popcorn

SEC. 901. SHORT TITLE.

This subtitle may be cited as the ''Popcorn Promotion, Research, and Consumer Information Act''.

SEC. 902. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) popcorn is an important food that is a valuable part of the human diet;

(2) the production and processing of popcorn plays a significant role in the economy of the United States in that popcorn is processed by several popcorn processors, distributed through wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) popcorn must be of high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of popcorn are available to the people of the United States;

(4) the maintenance and expansion of existing markets and uses and the development of new markets and uses for popcorn are vital to the welfare of processors and persons concerned with marketing, using, and producing popcorn for the market, as well as to the agricultural economy of the United States;

(5) the cooperative development, financing, and implementation of a coordinated program of popcorn promotion, research, consumer information, and industry information is necessary to maintain and expand markets for popcorn; and

(6) popcorn moves in interstate and foreign commerce, and popcorn that does not move in those channels of commerce directly burdens or affects interstate commerce in popcorn.

(b) POLICY.—It is the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on unpopped popcorn processed domestically), and carrying out an effective, continuous, and coordinated program of promotion, research, consumer information, and industry information designed to—

(1) strengthen the position of the popcorn industry in the marketplace; and

(2) maintain and expand domestic and foreign markets and uses for popcorn.

(c) PURPOSES.—The purposes of this subtitle are to—

(1) maintain and expand the markets for all popcorn products in a manner that—

(A) is not designed to maintain or expand any individual share of a producer or processor of the market;

(B) does not compete with or replace individual advertising or promotion efforts designed to promote individual brand name or trade name popcorn products; and

(C) authorizes and funds programs that result in government speech promoting government objectives; and

(2) establish a nationally coordinated program for popcorn promotion, research, consumer information, and industry information.

(d) STATUTORY CONSTRUCTION.—This subtitle treats processors equitably. Nothing in this subtitle—

(1) provides for the imposition of a trade barrier to the entry into the United States of imported popcorn for the domestic market; or

(2) provides for the control of production or otherwise limits the right of any individual processor to produce popcorn.

SEC. 903. DEFINITIONS.

In this subtitle (except as otherwise specifically provided):

(1) BOARD.—The term ''Board'' means the Popcorn Board established under section 905(b).

(2) COMMERCE.—The term ''commerce'' means interstate, foreign, or intrastate commerce.

(3) CONSUMER INFORMATION.—The term ''consumer information'' means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of popcorn.

(4) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(5) INDUSTRY INFORMATION.—The term ''industry information'' means information and programs that will lead to the development of—

(A) new markets, new marketing strategies, or increased efficiency for the popcorn industry; or

(B) activities to enhance the image of the popcorn industry.

(6) MARKETING.—The term ''marketing'' means the sale or other disposition of unpopped popcorn for human consumption in a channel of commerce, but does not include a sale or disposition to or between processors.

(7) ORDER.—The term ''order'' means an order issued under section 904.

(8) PERSON.—The term ''person'' means an individual, group of individuals, partnership, corporation, association, or cooperative, or any other legal entity.

(9) POPCORN.—The term ''popcorn'' means unpopped popcorn (Zea Mays L) that is—

(A) commercially grown;

(B) processed in the United States by shelling, cleaning, or drying; and

(C) introduced into a channel of commerce.

(10) PROCESS.—The term ''process'' means to shell, clean, dry, and prepare popcorn for the market, but does not include packaging popcorn for the market without also engaging in another activity described in this paragraph.

(11) PROCESSOR.—The term ''processor'' means a person engaged in the preparation of unpopped popcorn for the market who owns or shares the ownership and risk of loss of the popcorn and who processes and distributes over 4,000,000 pounds of popcorn in the market per year.

(12) PROMOTION.—The term ''promotion'' means an action, including paid advertising, to enhance the image or desirability of popcorn.

(13) RESEARCH.—The term ''research'' means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of popcorn.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(15) STATE.—The term ''State'' means each of the 50 States and the District of Columbia.

(16) UNITED STATES.—The term ''United States'' means all of the States.

SEC. 904. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the policy described in section 902(b), the Secretary, subject to subsection (b), shall issue 1 or more orders applicable to processors. An order shall be applicable to all popcorn production and marketing areas in the United States. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order, or an association of processors or any other person that would be affected by an order may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order under paragraph (1), or at such time as the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order conforms to this subtitle. The order shall be issued and become effective not later than 150 days after the date of publication of the proposed order.

(c) AMENDMENTS.—The Secretary, as appropriate, may amend an order. The provisions of this subtitle applicable to an order shall be applicable to any amendment to an order, except that an amendment to an order may not require a referendum to become effective.

SEC. 905. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF POPCORN BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a Popcorn Board that shall consist of not fewer than 4 members and not more than 9 members.

(2) NOMINATIONS.—The members of the Board shall be processors appointed by the Secretary from nominations submitted by processors in a manner authorized by the Secretary, subject to paragraph (3). Not more than 1 member may be appointed to the Board from nominations submitted by any 1 processor.

(3) GEOGRAPHICAL DIVERSITY.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of popcorn production throughout the United States.

(4) TERMS.—The term of appointment of each member of the Board shall be 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 2, 3, and 4 years, as determined by the Secretary.

(5) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation, but shall be reimbursed for the expenses of the member incurred in the performance of duties for the Board.

(c) POWERS AND DUTIES OF BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Board to serve on an executive committee;

(4) to propose, receive, evaluate, and approve budgets, plans, and projects of promotion, research, consumer information, and industry information, and to contract with appropriate persons to implement the plans or projects;

(5) to accept and receive voluntary contributions, gifts, and market promotion or similar funds;

(6) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under subsection (f), only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order; and

(8) to recommend to the Secretary amendments to the order.

(d) PLANS AND BUDGETS.—

(1) IN GENERAL.—The order shall provide that the Board shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) BUDGETS.—The order shall require the Board to submit to the Secretary for approval budgets on a fiscal year basis of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of plans and projects of promotion, research, consumer information, and industry information.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—The order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of plans or projects of promotion, research, consumer information, or industry information, including contracts with a processor organization, and for the payment of the cost of the plans or projects with funds collected by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project, together with a budget that shows the estimated costs to be incurred for the plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of each transaction of the party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PROCESSOR ORGANIZATIONS.—The order shall provide that the Board may contract with processor organizations for any other services. The contract shall include provisions comparable to the provisions required by paragraph (2).

(f) ASSESSMENTS.—

(1) PROCESSORS.—The order shall provide that each processor marketing popcorn in the United States or for export shall, in the manner prescribed in the order, pay assessments and remit the assessments to the Board.

(2) DIRECT MARKETERS.—A processor that markets popcorn produced by the processor directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

(3) RATE.—

(A) IN GENERAL.—The rate of assessment prescribed in the order shall be a rate established by the Board but not more than $.08 per hundredweight of popcorn.

(B) ADJUSTMENT OF RATE.—The order shall provide that the Board, with the approval of the Secretary, may raise or lower the rate of assessment annually up to a maximum of $.08 per hundredweight of popcorn.

(4) USE OF ASSESSMENTS.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and subsection (c)(5), the order shall provide that the assessments collected shall be used by the Board—

(i) to pay expenses incurred in implementing and administering the order, with provision for a reasonable reserve; and

(ii) to cover such administrative costs as are incurred by the Secretary, except that the administrative costs incurred by the Secretary (other than any legal expenses incurred to defend and enforce the order) that may be reimbursed by the Board may not exceed 15 percent of the projected annual revenues of the Board.

(B) EXPENDITURES BASED ON SOURCE OF ASSESSMENTS.—In implementing plans and projects of promotion, research, consumer information, and industry information, the Board shall expend funds on—

(i) plans and projects for popcorn marketed in the United States or Canada in proportion to the amount of assessments collected on domestically marketed popcorn; and

(ii) plans and projects for exported popcorn in proportion to the amount of assessments collected on exported popcorn.

(C) NOTIFICATION.—If the administrative costs incurred by the Secretary that are reimbursed by the Board exceed 10 percent of the projected annual revenues of the Board, the Secretary shall notify as soon as practicable the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(g) PROHIBITION ON USE OF FUNDS.—The order shall prohibit any funds collected by the Board under the order from being used to influence government action or policy, other than the use of funds by the Board for the development and recommendation to the Secretary of amendments to the order.

(h) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

(i) BOOKS AND RECORDS OF PROCESSORS.—

(1) MAINTENANCE AND REPORTING OF INFORMATION.—The order shall require that each processor of popcorn for the market shall—

(A) maintain, and make available for inspection, such books and records as are required by the order; and

(B) file reports at such time, in such manner, and having such content as is prescribed in the order.

(2) USE OF INFORMATION.—The Secretary shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this subtitle or a regulation issued under this subtitle. The information shall be made available to the Secretary as appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Subject to subparagraphs (B), (C), and (D), all information obtained by the Secretary under paragraphs (1) and (2) shall be kept confidential by all officers, employees, and agents of the Board and the Department.

(B) DISCLOSURE BY SECRETARY.—Information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

(C) DISCLOSURE TO OTHER AGENCY OF FEDERAL GOVERNMENT.—

(i) IN GENERAL.—No information obtained under the authority of this subtitle may be made available to another agency or officer of the Federal Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement activity necessary for the implementation of this subtitle.

(ii) PENALTY.—A person who knowingly violates this subparagraph shall, on conviction, be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer, employee, or agent of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information provided by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(j) OTHER TERMS AND CONDITIONS.—The order shall contain such terms and conditions, consistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

SEC. 906. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of

an order, as provided in section 904(b)(3), the Secretary shall conduct a referendum among processors who, during a representative period as determined by the Secretary, have been engaged in processing, for the purpose of ascertaining whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 904(b), only if the Secretary determines that the order has been approved by not less than a majority of the processors voting in the referendum and if the majority processed more than 50 percent of the popcorn certified as having been processed, during the representative period, by the processors voting.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—Not earlier than 3 years after the effective date of an order approved under subsection (a), on the request of the Board or a representative group of processors, as described in paragraph (2), the Secretary may conduct additional referenda to determine whether processors favor the termination or suspension of the order.

(2) REPRESENTATIVE GROUP OF PROCESSORS.—An additional referendum on an order shall be conducted if the referendum is requested by 30 percent or more of the number of processors who, during a representative period as determined by the Secretary, have been engaged in processing.

(3) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by at least ⅔ of the processors voting in the referendum, the Secretary shall—

(A) suspend or terminate, as appropriate, collection of assessments under the order not later than 180 days after the date of determination; and

(B) suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the date of determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any referendum under this section.

(d) METHOD OF CONDUCTING REFERENDUM.—Subject to this section, a referendum conducted under this section shall be conducted in such manner as is determined by the Secretary.

(e) CONFIDENTIALITY OF BALLOTS AND OTHER INFORMATION.—

(1) IN GENERAL.—The ballots and other information or reports that reveal or tend to reveal the vote of any processor, or any business operation of a processor, shall be considered to be strictly confidential and shall not be disclosed.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who knowingly violates paragraph (1) shall be subject to the penalties described in section 905(i)(3)(C)(ii).

SEC. 907. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or obligation or an exemption from the order or obligation.

(2) STATUTE OF LIMITATIONS.—A petition under paragraph (1) concerning an obligation may be filed not later than 2 years after the date of imposition of the obligation.

(3) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(4) RULING.—After a hearing under paragraph (3), the Secretary shall issue a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States for any district in which a person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if the person files a complaint not later than 20 days after the date of issuance of the ruling under subsection (a)(4).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) may be made on the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(4) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(c) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) may not impede, hinder, or delay the Secretary or the Attorney General from taking action under section 908.

SEC. 908. ENFORCEMENT.

(a) IN GENERAL.—The Secretary may issue an enforcement order to restrain or prevent any person from violating an order or regulation issued under this subtitle and may assess a civil penalty of not more than $1,000 for each violation of the enforcement order, after an opportunity for an administrative hearing, if the Secretary determines that the administration and enforcement of the order and this subtitle would be adequately served by such a procedure.

(b) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation issued under this subtitle.

(c) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

SEC. 909. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person subject to this subtitle has engaged, or is about to engage, in an act that constitutes or will constitute a violation of this subtitle or of an order or regulation issued under this subtitle.

(b) OATHS, AFFIRMATIONS, AND SUBPOENAS.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—

(1) REQUEST.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in requiring the attendance and testimony of the person and the production of records.

(2) ENFORCEMENT ORDER OF THE COURT.—The court may issue an enforcement order requiring the person to appear before the Secretary to produce records or to give testimony concerning the matter under investigation.

(3) CONTEMPT.—A failure to obey an enforcement order of the court under paragraph (2) may be punished by the court as a contempt of the court.

(4) PROCESS.—Process in a case under this subsection may be served in the judicial district in which the person resides or conducts business or wherever the person may be found.

SEC. 910. RELATION TO OTHER PROGRAMS.

Nothing in this subtitle preempts or supersedes any other program relating to popcorn promotion organized and operated under the laws of the United States or any State.

SEC. 911. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 912. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle. Amounts made available under this section or otherwise made available to the Department, and amounts made available under any other marketing or promotion order, may not be used to pay any administrative expense of the Board.

Subtitle B—Canola and Rapeseed

SEC. 921. SHORT TITLE.

This subtitle may be cited as the ''Canola and Rapeseed Research, Promotion, and Consumer Information Act''.

SEC. 922. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) canola and rapeseed products are an important and nutritious part of the human diet;

(2) the production of canola and rapeseed products plays a significant role in the economy of the United States in that canola and rapeseed products are produced by thousands of canola and rapeseed producers, processed by numerous processing entities, and canola and rapeseed products produced in the United States are consumed by people throughout the United States and foreign countries;

(3) canola, rapeseed, and canola and rapeseed products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of canola and rapeseed products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for canola, rapeseed, and canola and rapeseed products are vital to the welfare of canola and rapeseed producers and processors and those persons concerned with marketing canola, rapeseed, and canola and rapeseed products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of canola, rapeseed, and canola and rapeseed products;

(5) there exist established State and national organizations conducting canola and rapeseed research, promotion, and consumer education programs that are valuable to the efforts of promoting the consumption of canola, rapeseed, and canola and rapeseed products;

(6) the cooperative development, financing, and implementation of a coordinated national program of canola and rapeseed research, promotion, consumer information, and industry information is necessary to maintain and expand existing markets and develop new markets for canola, rapeseed, and canola and rapeseed products; and

(7) canola, rapeseed, and canola and rapeseed products move in interstate and foreign commerce, and canola, rapeseed, and canola and rapeseed products that do not move in interstate or foreign commerce directly burden or affect interstate commerce in canola, rapeseed, and canola and rapeseed products.

(b) POLICY.—It is the policy of this subtitle to establish an orderly procedure for developing, financing through assessments on domestically-produced canola and rapeseed, and implementing a program of research, promotion, consumer information, and industry information designed to strengthen the position in the marketplace of the canola and rapeseed industry, to maintain and expand existing domestic and foreign markets and uses for canola, rapeseed, and canola and rapeseed products, and to develop new markets and uses for canola, rapeseed, and canola and rapeseed products.

(c) CONSTRUCTION.—Nothing in this subtitle provides for the control of production or otherwise limits the right of individual producers to produce canola, rapeseed, or canola or rapeseed products.

SEC. 923. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term ''Board'' means the National Canola and Rapeseed Board established under section 925(b).

(2) CANOLA; RAPESEED.—The terms ''canola'' and ''rapeseed'' means any brassica plant grown in the United States for the production of an oilseed, the oil of which is used for a food or nonfood use.

(3) CANOLA OR RAPESEED PRODUCTS.—The term ''canola or rapeseed products'' means products produced, in whole or in part, from canola or rapeseed.

(4) COMMERCE.—The term ''commerce'' includes interstate, foreign, and intrastate commerce.

(5) CONFLICT OF INTEREST.—The term ''conflict of interest'' means a situation in which a member of the Board has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(6) CONSUMER INFORMATION.—The term ''consumer information'' means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of canola, rapeseed, or canola or rapeseed products.

(7) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(8) FIRST PURCHASER.—The term ''first purchaser'' means—

(A) except as provided in subparagraph (B), a person buying or otherwise acquiring canola, rapeseed, or canola or rapeseed products produced by a producer; or

(B) the Commodity Credit Corporation, in a case in which canola or rapeseed is forfeited to the Commodity Credit Corporation as collateral for a loan issued under a price support loan program administered by the Commodity Credit Corporation.

(9) INDUSTRY INFORMATION.—The term ''industry information'' means information or programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the canola and rapeseed industry, or an activity to enhance the image of the canola or rapeseed industry.

(10) INDUSTRY MEMBER.—The term ''industry member'' means a member of the canola and rapeseed industry who represents—

(A) manufacturers of canola or rapeseed products; or

(B) persons who commercially buy or sell canola or rapeseed.

(11) MARKETING.—The term ''marketing'' means the sale or other disposition of canola, rapeseed, or canola or rapeseed products in a channel of commerce.

(12) ORDER.—The term ''order'' means an order issued under section 924.

(13) PERSON.—The term ''person'' means an individual, partnership, corporation, association, cooperative, or any other legal entity.

(14) PRODUCER.—The term ''producer'' means a person engaged in the growing of canola or rapeseed in the United States who owns, or who shares the ownership and risk of loss of, the canola or rapeseed.

(15) PROMOTION.—The term ''promotion'' means an action, including paid advertising, technical assistance, or trade servicing activity, to enhance the image or desirability of canola, rapeseed, or canola or rapeseed products in domestic and foreign markets, or an activity designed to communicate to consumers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of canola, rapeseed, or canola or rapeseed products or the benefits of use or distribution of canola, rapeseed, or canola or rapeseed products.

(16) QUALIFIED STATE CANOLA AND RAPESEED BOARD.—The term ''qualified State canola and rapeseed board'' means a State canola and rapeseed promotion entity that is authorized and functioning under State law.

(17) RESEARCH.—The term ''research'' means any type of test, study, or analysis to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of canola, rapeseed, or canola or rapeseed products, including research activity designed to identify and analyze barriers to export sales of canola or rapeseed produced in the United States.

(18) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(19) STATE.—The term ''State'' means any of the 50 States, the District of Columbia and the Commonwealth of Puerto Rico.

(20) UNITED STATES.—The term ''United States'' means collectively the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 924. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall issue 1 or more orders under this subtitle applicable to producers and first purchasers of canola, rapeseed, or canola or rapeseed products. The order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of canola and rapeseed producers or any other person that would be affected by an order issued pursuant to this subtitle may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle. The order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend an order issued under this section.

SEC. 925. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE NATIONAL CANOLA AND RAPESEED BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a National Canola and Rapeseed Board to administer the order.

(2) SERVICE TO ENTIRE INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the canola and rapeseed industry in all parts of the United States and only promote canola, rapeseed, or canola or rapeseed products.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 11 members who are producers, including—

(i) 1 member from each of 6 geographic regions comprised of States where canola or rapeseed is produced, as determined by the Secretary; and

(ii) 5 members from the geographic regions referred to in clause (i), allocated according to the production in each region; and

(B) 4 members who are industry members, including at least—

(i) 1 member who represents manufacturers of canola or rapeseed end products; and

(ii) 1 member who represents persons who commercially buy or sell canola or rapeseed.

(4) LIMITATION ON STATE RESIDENCE.—There shall be no more than 4 producer members of the Board from any State.

(5) MODIFYING BOARD MEMBERSHIP.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall review the geographic distribution of canola and rapeseed production throughout the United States and, if warranted, recommend to the Secretary that the Secretary—

(A) reapportion regions in order to reflect the geographic distribution of canola and rapeseed production; and

(B) reapportion the seats on the Board to reflect the production in each region.

(6) CERTIFICATION OF ORGANIZATIONS.—

(A) IN GENERAL.—The eligibility of any State organization to represent producers shall be certified by the Secretary.

(B) CRITERIA.—The Secretary shall certify any State organization that the Secretary determines has a history of stability and permanency and meets at least 1 of the following criteria:

(i) MAJORITY REPRESENTATION.—The total paid membership of the organization—

(I) is comprised of at least a majority of canola or rapeseed producers; or

(II) represents at least a majority of the canola or rapeseed producers in the State.

(ii) SUBSTANTIAL NUMBER OF PRODUCERS REPRESENTED.—The organization represents a substantial number of producers that produce a substantial quantity of canola or rapeseed in the State.

(iii) PURPOSE.—The organization is a general farm or agricultural organization that has as a stated objective the promotion and development of the United States canola or rapeseed industry and the economic welfare of United States canola or rapeseed producers.

(C) REPORT.—The Secretary shall make a certification under this paragraph on the basis of a factual report submitted by the State organization.

(7) TERMS OF OFFICE.—

(A) IN GENERAL.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) TERMINATION OF TERMS.—Notwithstanding subparagraph (C), each member shall continue to serve until a successor is appointed by the Secretary.

(C) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(8) COMPENSATION.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(c) POWERS AND DUTIES OF THE BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make regulations to effectuate the terms and conditions of the order;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons other than Board members;

(5) to employ such persons, other than Board members, as the Board considers necessary, and to determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, when appropriate or necessary, a recommended rate of assessment under section 926, and a fiscal period budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of research, promotion, industry information, and consumer information;

(9) to carry out research, promotion, industry information, and consumer information projects, and to pay the costs of the projects with assessments collected under section 926;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, working committees comprised of producers, industry members, and the public to assist in the development of research, promotion, industry information, and consumer information programs for canola, rapeseed, and canola and rapeseed products;

(12) to invest, pending disbursement under a program or project, funds collected through assessments authorized under section 926, or funds earned from investments, only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(13) to receive, investigate, and report to the Secretary complaints of violations of the order;

(14) to furnish the Secretary with such information as the Secretary may request;

(15) to recommend to the Secretary amendments to the order;

(16) to develop and recommend to the Secretary for approval such regulations as may be necessary for the development and execution of programs or projects, or as may otherwise be necessary, to carry out the order; and

(17) to provide the Secretary with advance notice of meetings.

(d) PROGRAMS AND BUDGETS.—

(1) SUBMISSION TO SECRETARY.—The order shall provide that the Board shall submit to the Secretary for approval any program or project of research, promotion, consumer information, or industry information. No program or project shall be implemented prior to approval by the Secretary.

(2) BUDGETS.—The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of a fiscal year, to submit to the Secretary for approval budgets of anticipated expenses and disbursements in the implementation of the order, including projected costs of research, promotion, consumer information, and industry information programs and projects.

(3) INCURRING EXPENSES.—The Board may incur such expenses for programs or projects of research, promotion, consumer information, or industry information, and other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary, including any implementation, administrative, and referendum costs incurred by the Department.

(4) PAYING EXPENSES.—The funds to cover the expenses referred to in paragraph (3) shall be paid by the Board from assessments collected under section 926 or funds borrowed pursuant to paragraph (5).

(5) AUTHORITY TO BORROW.—To meet the expenses referred to in paragraph (3), the Board shall have the authority to borrow funds, as approved by the Secretary, for capital outlays and startup costs.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds, the order shall provide that the Board may enter into a contract or agreement for the implementation and carrying out of a program or project of canola, rapeseed, or canola or rapeseed products research, promotion, consumer information, or industry information, including a contract with a producer organization, and for the payment of the costs with funds received by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project together with a budget that shall show the estimated costs to be incurred for the program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PRODUCER ORGANIZATIONS.—The order shall provide that the Board may contract with producer organizations for any other services. The contract shall include provisions comparable to those required by paragraph (2).

(f) BOOKS AND RECORDS OF THE BOARD.—

(1) IN GENERAL.—The order shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) AUDITS.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year, and a report of the audit to be submitted to the Secretary.

(g) PROHIBITION.—

(1) IN GENERAL.—Subject to paragraph (2), the Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(A) influence legislation or governmental action;

(B) engage in an action that would be a conflict of interest;

(C) engage in advertising that is false or misleading; or

(D) engage in promotion that would disparage other commodities.

(2) ACTION PERMITTED.—Paragraph (1) does not preclude—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, or industry information activities under the order; or

(C) any action designed to market canola or rapeseed products directly to a foreign government or political subdivision of a foreign government.

(h) BOOKS AND RECORDS.—

(1) IN GENERAL.—The order shall require that each producer, first purchaser, or industry member shall—

(A) maintain and submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle; and

(B) make available during normal business hours, for inspection by employees of the Board or Secretary, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained from books, records, or reports required to be maintained under paragraph (1) shall be kept confidential, and shall not be disclosed to the public by any person.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed to the public if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction or on the request of the Secretary or to which the Secretary or any officer of the Department is a party; and

(iii) the information relates to this subtitle.

(C) MISCONDUCT.—A knowing disclosure of confidential information in violation of subparagraph (A) by an officer or employee of the Board or Department, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the

particular provisions of the order violated by the person.

(3) AVAILABILITY OF INFORMATION.—

(A) EXCEPTION.—Except as provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes withholding information from Congress.

(i) USE OF ASSESSMENTS.—The order shall provide that the assessments collected under section 926 shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle.

(j) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 926. ASSESSMENTS.

(a) IN GENERAL.—

(1) FIRST PURCHASERS.—During the effective period of an order issued pursuant to this subtitle, assessments shall be—

(A) levied on all canola or rapeseed produced in the United States and marketed; and

(B) deducted from the payment made to a producer for all canola or rapeseed sold to a first purchaser.

(2) DIRECT PROCESSING.—The order shall provide that any person processing canola or rapeseed of that person's own production and marketing the canola or rapeseed, or canola or rapeseed products, shall remit to the Board or a qualified State canola and rapeseed board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for under subsection (d).

(b) LIMITATION ON ASSESSMENTS.—No more than 1 assessment may be assessed under subsection (a) on any canola or rapeseed produced (as remitted by a first purchaser).

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted to the Board by a first purchaser. The Board shall use qualified State canola and rapeseed boards to collect the assessments. If an appropriate qualified State canola and rapeseed board does not exist to collect an assessment, the assessment shall be collected by the Board. There shall be only 1 qualified State canola or rapeseed Board in each State.

(2) TIMES TO REMIT ASSESSMENT.—Each first purchaser shall remit the assessment to the Board as provided for in the order.

(d) ASSESSMENT RATE.—

(1) INITIAL RATE.—The initial assessment rate shall be 4 cents per hundredweight of canola or rapeseed produced and marketed.

(2) INCREASE.—The assessment rate may be increased on recommendation by the Board to a rate not exceeding 10 cents per hundredweight of canola or rapeseed produced and marketed in a State, unless—

(A) after the initial referendum is held under section 927(a), the Board recommends an increase above 10 cents per hundredweight; and

(B) the increase is approved in a referendum under section 927(b).

(3) CREDIT.—A producer who demonstrates to the Board that the producer is participating in a program of an established qualified State canola and rapeseed board shall receive credit, in determining the assessment due from the producer, for contributions to the program of up to 2 cents per hundredweight of canola or rapeseed marketed.

(e) LATE PAYMENT CHARGE.—

(1) IN GENERAL.—There shall be a late payment charge imposed on any person who fails to remit, on or before the date provided for in the order, to the Board the total amount for which the person is liable.

(2) AMOUNT OF CHARGE.—The amount of the late payment charge imposed under paragraph (1) shall be prescribed by the Board with the approval of the Secretary.

(f) REFUND OF ASSESSMENTS FROM ESCROW ACCOUNT.—

(1) ESTABLISHMENT OF ESCROW ACCOUNT.—During the period beginning on the date on which an order is first issued under section 924(b)(3) and ending on the date on which a referendum is conducted under section 927(a), the Board shall—

(A) establish an escrow account to be used for assessment refunds; and

(B) place funds in such account in accordance with paragraph (2).

(2) PLACEMENT OF FUNDS IN ACCOUNT.—The Board shall place in such account, from assessments collected during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during the period by 10 percent.

(3) RIGHT TO RECEIVE REFUND.—The Board shall refund to a producer the assessments paid by or on behalf of the producer if—

(A) the producer is required to pay the assessment;

(B) the producer does not support the program established under this subtitle; and

(C) the producer demands the refund prior to the conduct of the referendum under section 927(a).

(4) FORM OF DEMAND.—The demand shall be made in accordance with such regulations, in such form, and within such time period as prescribed by the Board.

(5) MAKING OF REFUND.—The refund shall be made on submission of proof satisfactory to the Board that the producer paid the assessment for which the refund is demanded.

(6) PRORATION.—If—

(A) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by eligible producers; and

(B) the order is not approved pursuant to the referendum conducted under section 927(a);

the Board shall prorate the amount of the refunds among all eligible producers who demand a refund.

(7) PROGRAM APPROVED.—If the plan is approved pursuant to the referendum conducted under section 927(a), all funds in the escrow account shall be returned to the Board for use by the Board in accordance with this subtitle.

SEC. 927. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REQUIREMENT.—During the period ending 30 months after the date of the first issuance of an order under section 924, the Secretary shall conduct a referendum among producers who, during a representative period as determined by the Secretary, have been engaged in the production of canola or rapeseed for the purpose of ascertaining whether the order then in effect shall be continued.

(2) ADVANCE NOTICE.—The Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. The notice shall be provided, without advertising expenses, by means of newspapers, county newsletters, the electronic media, and press releases, through the use of notices posted in State and county Cooperative State Research, Education, and Extension Service offices and county Consolidated Farm Service Agency offices, and by other appropriate means specified in the order. The notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent information.

(3) APPROVAL OF ORDER.—The order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum.

(4) DISAPPROVAL OF ORDER.—If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—

(A) REQUIREMENT.—After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) REPRESENTATIVE GROUP OF PRODUCERS.—An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of canola or rapeseed.

(C) ELIGIBLE PRODUCERS.—Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order.

(2) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall suspend or terminate, as appropriate, collection of assessments under the order within 6 months after the determination, and shall suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the determination.

(3) OPPORTUNITY TO REQUEST ADDITIONAL REFERENDA.—

(A) IN GENERAL.—Beginning on the date that is 5 years after the conduct of a referendum under this subtitle, and every 5 years thereafter, the Secretary shall provide canola and rapeseed producers an opportunity to request an additional referendum.

(B) METHOD OF MAKING REQUEST.—

(i) IN-PERSON REQUESTS.—To carry out subparagraph (A), the Secretary shall establish a procedure under which a producer may request a reconfirmation referendum in-person at a county Cooperative State Research, Education, and Extension Service office or a county Consolidated Farm Service Agency office during a period established by the Secretary, or as provided in clause (ii).

(ii) MAIL-IN REQUESTS.—In lieu of making a request in person, a producer may make a request by mail. To facilitate the submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) NOTIFICATIONS.—The Secretary shall publish a notice in the Federal Register, and

the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for an in-person request, of the opportunity of producers to request an additional referendum. The notification shall explain the right of producers to an additional referendum, the procedure for a referendum, the purpose of a referendum, and the date and method by which producers may act to request an additional referendum under this paragraph. The Secretary shall take such other action as the Secretary determines is necessary to ensure that producers are made aware of the opportunity to request an additional referendum.

(D) ACTION BY SECRETARY.—As soon as practicable following the submission of a request for an additional referendum, the Secretary shall determine whether a sufficient number of producers have requested the referendum, and take such steps as are necessary to conduct the referendum, as required under paragraph (1).

(E) TIME LIMIT.—An additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of the referendum.

(c) PROCEDURES.—

(1) REIMBURSEMENT OF SECRETARY.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of an activity required under this section.

(2) DATE.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, under a procedure under which producers intending to vote in the referendum shall certify that the producers were engaged in the production of canola, rapeseed, or canola or rapeseed products during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) PLACE.—Referenda under this section shall be conducted at locations determined by the Secretary. On request, absentee mail ballots shall be furnished by the Secretary in a manner prescribed by the Secretary.

SEC. 928. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if a complaint is filed by the person not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a)(3).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 929.

SEC. 929. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation made or issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be commenced under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed the violation or by administrative action under section 928.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—Any person who willfully violates any provision of an order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit an assessment or fee required of the person under an order or regulation, may be assessed—

(i) a civil penalty by the Secretary of not more than $1,000 for each violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by an order or regulation, an additional penalty equal to the amount of the assessment.

(B) SEPARATE OFFENSE.—Each violation under subparagraph (A) shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing a violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed, or cease-and-desist order issued, by the Secretary under this subsection unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this subsection shall be final and conclusive unless the affected person files an appeal of the order with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person who has been determined to be in violation of this subtitle, or against whom a civil penalty has been assessed or a cease-and-desist order issued under subsection (c), may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or conducts business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file promptly, in the appropriate court referred to in paragraph (1), a certified copy of the record on which the Secretary has determined that the person has committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary under this section shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued under this section after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which the failure continues shall be considered as a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty under this section after the assessment has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In an action for recovery, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 930. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in an act that constitutes a violation of this subtitle, or an order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, take evidence, and issue subpoenas to require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 928 or 929, the presiding officer is authorized to administer oaths and affirmations, subpoena and compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—A failure to obey an order of the court under this section may be punished by the court as contempt of the court.

(e) PROCESS.—Process may be served on a person in the judicial district in which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of a hearing held under section 928 or 729 shall be in the judicial district where the person affected by the hearing resides or has a principal place of business.

SEC. 931. SUSPENSION OR TERMINATION OF AN ORDER.

The Secretary shall, whenever the Secretary finds that an order or a provision of an order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision. The termination or suspension of an order shall not be considered an order within the meaning of this subtitle.

SEC. 932. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 933. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board in administering a provision of an order issued under this subtitle.

Subtitle C—Kiwifruit

SEC. 941. SHORT TITLE.

This subtitle may be cited as the ''National Kiwifruit Research, Promotion, and Consumer Information Act''.

SEC. 942. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) domestically produced kiwifruit are grown by many individual producers;

(2) virtually all domestically produced kiwifruit are grown in the State of California, although there is potential for production in many other areas of the United States;

(3) kiwifruit move in interstate and foreign commerce, and kiwifruit that do not move in channels of commerce directly burden or affect interstate commerce;

(4) in recent years, large quantities of kiwifruit have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for kiwifruit, and the development of additional and improved markets for kiwifruit, are vital to the welfare of kiwifruit producers and other persons concerned with producing, marketing, and processing kiwifruit;

(6) a coordinated program of research, promotion, and consumer information regarding kiwifruit is necessary for the maintenance and development of the markets; and

(7) kiwifruit producers, handlers, and importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an assessment) of an effective and coordinated program of research, promotion, and consumer information regarding kiwifruit;

(2) to use the program to strengthen the position of the kiwifruit industry in domestic and foreign markets and maintain, develop, and expand markets for kiwifruit; and

(3) to treat domestically produced kiwifruit and imported kiwifruit equitably.

SEC. 943. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term ''Board'' means the National Kiwifruit Board established under section 945.

(2) CONSUMER INFORMATION.—The term ''consumer information'' means any action taken to provide information to, and broaden the understanding of, the general public regarding the consumption, use, nutritional attributes, and care of kiwifruit.

(3) EXPORTER.—The term ''exporter'' means any person from outside the United States who exports kiwifruit into the United States.

(4) HANDLER.—The term ''handler'' means any person, excluding a common carrier, engaged in the business of buying and selling, packing, marketing, or distributing kiwifruit as specified in the order.

(5) IMPORTER.—The term ''importer'' means any person who imports kiwifruit into the United States.

(6) KIWIFRUIT.—The term ''kiwifruit'' means all varieties of fresh kiwifruit grown or imported in the United States.

(7) MARKETING.—The term ''marketing'' means the sale or other disposition of kiwifruit into interstate, foreign, or intrastate commerce by buying, marketing, distribution, or otherwise placing kiwifruit into commerce.

(8) ORDER.—The term ''order'' means a kiwifruit research, promotion, and consumer information order issued by the Secretary under section 944.

(9) PERSON.—The term ''person'' means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) PROCESSING.—The term ''processing'' means canning, fermenting, distilling, extracting, preserving, grinding, crushing, or in any manner changing the form of kiwifruit for the purposes of preparing the kiwifruit for market or marketing the kiwifruit.

(11) PRODUCER.—The term ''producer'' means any person who grows kiwifruit in the United States for sale in commerce.

(12) PROMOTION.—The term ''promotion'' means any action taken under this subtitle (including paid advertising) to present a favorable image for kiwifruit to the general public for the purpose of improving the competitive position of kiwifruit and stimulating the sale of kiwifruit.

(13) RESEARCH.—The term ''research'' means any type of research relating to the use, nutritional value, and marketing of kiwifruit conducted for the purpose of advancing the image, desirability, marketability, or quality of kiwifruit.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(15) UNITED STATES.—The term ''United States'' means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 944. ISSUANCE OF ORDERS.

(a) ISSUANCE.—To effectuate the declared purposes of this subtitle, the Secretary shall issue an order applicable to producers, handlers, and importers of kiwifruit. Any such order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF ORDER.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this subtitle.

(2) PROPOSED ORDER.—Not later than 90 days after the receipt of a request and proposal for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are provided under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with this subtitle.

(c) AMENDMENTS.—The Secretary may amend any order issued under this section. The provisions of this subtitle applicable to an order shall be applicable to an amendment to an order.

SEC. 945. NATIONAL KIWIFRUIT BOARD.

(a) MEMBERSHIP.—An order issued by the Secretary under section 944 shall provide for the establishment of a National Kiwifruit Board that consists of the following 11 members:

(1) 6 members who are producers (or representatives of producers) and who are not exempt from an assessment under section 946(b).

(2) 4 members who are importers (or representatives of importers) and who are not exempt from an assessment under section 946(b) or are exporters (or representatives of exporters).

(3) 1 member appointed from the general public.

(b) ADJUSTMENT OF MEMBERSHIP.—Subject to the 11-member limit, the Secretary may adjust membership on the Board to accommodate changes in production and import levels of kiwifruit.

(c) APPOINTMENT AND NOMINATION.—

(1) APPOINTMENT.—The Secretary shall appoint the members of the Board from nominations submitted in accordance with this subsection.

(2) PRODUCERS.—The members referred to in subsection (a)(1) shall be appointed from individuals nominated by producers.

(3) IMPORTERS AND EXPORTERS.—The members referred to in subsection (a)(2) shall be appointed from individuals nominated by importers or exporters.

(4) PUBLIC REPRESENTATIVE.—The public representative shall be appointed from nominations submitted by other members of the Board.

(5) FAILURE TO NOMINATE.—If producers, importers, and exporters fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, the member may be appointed by the Secretary without a nomination.

(d) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(1) be appointed in the same manner as the member for whom the individual is an alternate; and

(2) serve on the Board if the member is absent from a meeting or is disqualified under subsection (f).

(e) TERMS.—A member of the Board shall be appointed for a term of 3 years. No member may serve more than 2 consecutive 3-year terms, except that of the members first appointed—

(1) 5 members shall be appointed for a term of 2 years; and

(2) 6 members shall be appointed for a term of 3 years.

(f) DISQUALIFICATION.—If a member or alternate of the Board who was appointed as a producer, importer, exporter, or public representative member ceases to belong to the group for which the member was appointed, the member or alternate shall be disqualified from serving on the Board.

(g) COMPENSATION.—A members or alternate of the Board shall serve without pay.

(h) GENERAL POWERS AND DUTIES.—The Board shall—

(1) administer an order issued by the Secretary under section 944, and an amendment to the order, in accordance with the order and amendment and this subtitle;

(2) prescribe rules and regulations to carry out the order;

(3) meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) receive, investigate, and report to the Secretary accounts of violations of the order;

(5) make recommendations to the Secretary with respect to an amendment that should be made to the order; and

(6) employ or contract with a manager and staff to assist in administering the order, except that, to reduce administrative costs and increase efficiency, the Board shall seek, to the extent practicable, to employ or contract with personnel who are already associated with State chartered organizations involved in promoting kiwifruit.

SEC. 946. REQUIRED TERMS IN ORDER.

(a) BUDGETS AND PLANS.—

(1) IN GENERAL.—An order issued under section 944 shall provide for periodic budgets and plans in accordance with this subsection.

(2) BUDGETS.—The Board shall prepare and submit to the Secretary a budget prior to the beginning of the fiscal year of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall become effective on a ⅔-vote of a quorum of the Board and approval by the Secretary.

(3) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding kiwifruit. A plan under this paragraph shall become effective on approval by the Secretary. The Board may enter into contracts and agreements, on approval by the Secretary, for—

(A) the development of and carrying out the plan; and

(B) the payment of the cost of the plan, with funds collected pursuant to this subtitle.

(b) ASSESSMENTS.—

(1) IN GENERAL.—The order shall provide for the imposition and collection of assessments with regard to the production and importation of kiwifruit in accordance with this subsection.

(2) RATE.—The assessment rate shall be the reate that is recommended by a ⅔-vote of a quorum of the Board and approved by the Secretary, except that the rate shall not exceed $0.10 per 7-pound tray of kiwifruit or equivalent.

(3) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (5), the first handler of kiwifruit shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments required under this subsection; and

(B) maintain a separate record of the kiwifruit of each producer whose kiwifruit are so handled, including the kiwifruit owned by the handler.

(4) IMPORTERS.—The assessment on imported kiwifruit shall be paid by the importer to the United States Customs Service at the time of entry into the United States and shall be remitted to the Board.

(5) EXEMPTION FROM ASSESSMENT.—The following persons or activities are exempt from an assessment under this subsection:

(A) A producer who produces less than 500 pounds of kiwifruit per year.

(B) An importer who imports less than 10,000 pounds of kiwifruit per year.

(C) A sale of kiwifruit made directly from the producer to a consumer for a purpose other than resale.

(D) The production or importation of kiwifruit for processing.

(6) CLAIM OF EXEMPTION.—To claim an exemption under paragraph (5) for a particular year, a person shall—

(A) submit an application to the Board stating the basis for the exemption and certifying that the quantity of kiwifruit produced, imported, or sold by the person will not exceed any poundage limitation required for the exemption in the year; or

(B) be on a list of approved processors developed by the Board.

(c) USE OF ASSESSMENTS.

(1) AUTHORIZED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) may be used by the Board—

(A) to pay for research, promotion, and consumer information described in the budget of the Board under subsection (a) and for other expenses incurred by the Board in the administration of an order;

(B) to pay such other expenses for the administration, maintenance, and functioning of the Board, including any enforcement efforts for the collection of assessments as may be authorized by the Secretary, including interest and penalties for late payments; and

(C) to fund a reserve established under section 947(d).

(2) REQUIRED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) shall be used by the Board—

(A) to pay the expenses incurred by the Secretary, including salaries and expenses of Federal Government employees, in implementing and administering the order; and

(B) to reimburse the Secretary for any expenses incurred by the Secretary in conducting referenda under this subtitle.

(3) LIMITATION ON USE OF ASSESSMENTS.—Except for the first year of operation of the Board, expenses for the administration, maintenance, and functioning of the Board may not exceed 30 percent of the budget for a year.

(d) FALSE CLAIMS.—The order shall provide that any promotion funded with assessments collected under subsection (b) may not make—

(1) any false claims on behalf of kiwifruit; and

(2) any false statements with respect to the attributes or use of any product that competes with kiwifruit for sale in commerce.

(e) PROHIBITION ON USE OF FUNDS.—The order shall provide that funds collected by the Board under this subtitle through assessments may not, in any manner, be used for the purpose of influencing legislation or governmental policy or action, except for making recommendations to the Secretary as provided for under this subtitle.

(f) BOOKS, RECORDS, AND REPORTS.—

(1) BOARD.—The order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report by an independent auditor regarding the activities of the Board during the fiscal year.

(2) OTHERS.—To make information and data available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this subtitle (or any order or regulation issued under this subtitle), the order shall require handlers and importers who are responsible for the collection, payment, or remittance of assessments under subsection (b)—

(A) to maintain and make available for inspection by the employees and agents of the Board and the Secretary such books and records as may be required by the order; and

(B) to file, at the times and in the manner and content prescribed by the order, reports regarding the collection, payment, or remittance of the assessments.

(g) CONFIDENTIALITY.—

(1) IN GENERAL.—The order shall require that all information obtained pursuant to subsection (f)(2) be kept confidential by all officers and employees and agents of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers and importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication, by direction of the Secretary, of the name of any person violating an order issued under section 944(a), together with a statement of the particular provisions of the order violated by the person.

(3) PENALTY.—Any person who willfully violates this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and, if the person is a member, officer, or agent of the board or an employee of the Department, shall be removed from office.

(h) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes the withholding of information from Congress.

SEC. 947. PERMISSIVE TERMS IN ORDER.

(a) PERMISSIVE TERMS.—On the recommendation of the Board and with the approval of the Secretary, an order issued under section 944 may include the terms and conditions specified in this section and such additional terms and conditions as the Secretary considers necessary to effectuate the other provisions of the order and are incidental to, and not inconsistent with, this subtitle.

(b) ALTERNATIVE PAYMENT AND REPORTING SCHEDULES.—The order may authorize the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures.

(c) WORKING GROUPS.—The order may authorize the Board to convene working groups drawn from producers, handlers, importers, exporters, or the general public and utilize the expertise of the groups to assist in the development of research and marketing programs for kiwifruit.

(d) RESERVE FUNDS.—The order may authorize the Board to accumulate reserve funds from assessments collected pursuant to section 946(b) to permit an effective and

continuous coordinated program of research, promotion, and consumer information in years in which production and assessment income may be reduced, except that any reserve fund may not exceed the amount budgeted for operation of this subtitle for 1 year.

(e) PROMOTION ACTIVITIES OUTSIDE UNITED STATES.—The order may authorize the Board to use, with the approval of the Secretary, funds collected under section 946(b) and funds from other sources for the development and expansion of sales in foreign markets of kiwifruit produced in the United States.

SEC. 948. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition which shall be final if the petition is in accordance with law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business is vested with jurisdiction to review the ruling on the petition of the person, if a complaint for that purpose is filed not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in the proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of a proceeding instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 949.

SEC. 949. ENFORCEMENT.

(a) JURISDICTION.—A district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to or in lieu of the civil penalty, the Secretary may issue an order requiring the person to cease and desist from continuing the violation.

(3) NOTICE AND HEARING.—No order assessing a civil penalty or cease-and-desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from the order with the appropriate district court of the United States, in accordance with subsection (d).

(d) REVIEW BY UNITED STATES DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease-and-desist order issued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which the person resides or does business, or the United States district court for the District of Columbia, by—

(A) filing a notice of appeal in the court not later than 30 days after the date of the order; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in the court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued by the Secretary after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which the failure continues shall be considered a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after the assessment has become a final and unappealable order issued by the Secretary, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 950. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective carrying out of the responsibilities of the Secretary under this subtitle; or

(2) to determine whether a person subject to this subtitle has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and may issue subpoenas to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 948 or 949, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as a contempt of the order.

(e) PROCESS.—Process in any such case may be served in the judicial district of which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of any hearing held under section 948 or 949 shall be within the judicial district where the person is an inhabitant or has a principal place of business.

SEC. 951. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REFERENDUM REQUIRED.—During the 60-day period immediately preceding the proposed effective date of an order issued under section 944, the Secretary shall conduct a referendum among kiwifruit producers and importers who will be subject to assessments under the order, to ascertain whether producers and importers approve the implementation of the order.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 944, if the Secretary determines that—

(A) the order has been approved by a majority of the producers and importers voting in the referendum; and

(B) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(b) SUBSEQUENT REFERENDA.—The Secretary may periodically conduct a referendum to determine if kiwifruit producers and importers favor the continuation, termination, or suspension of any order issued under section 944 that is in effect at the time of the referendum.

(c) REQUIRED REFERENDA.—The Secretary shall hold a referendum under subsection (b)—

(1) at the end of the 6-year period beginning on the effective date of the order and at the end of each subsequent 6-year period;

(2) at the request of the Board; or

(3) if not less than 30 percent of the kiwifruit producers and importers subject to

assessments under the order submit a petition requesting the referendum.

(d) VOTE.—On completion of a referendum under subsection (b), the Secretary shall suspend or terminate the order that was subject to the referendum at the end of the marketing year if—

(1) the suspension or termination of the order is favored by not less than a majority of the producers and importers voting in the referendum; and

(2) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(e) CONFIDENTIALITY.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this subtitle and the voting list shall be held strictly confidential and shall not be disclosed.

SEC. 952. SUSPENSION AND TERMINATION OF ORDER BY SECRETARY.

(a) IN GENERAL.—If the Secretary finds that an order issued under section 944, or a provision of the order, obstructs or does not tend to effectuate the purposes of this subtitle, the Secretary shall terminate or suspend the operation of the order or provision.

(b) LIMITATION.—The termination or suspension of any order, or any provision of an order, shall not be considered an order under this subtitle.

SEC. 953. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 954. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such funds as are necessary to carry out this subtitle for each fiscal year.

Subtitle D—Commodity Promotion and Evaluation

SEC. 961. COMMODITY PROMOTION AND EVALUATION.

(a) FINDINGS.—Congress finds that—

(1) it is in the national public interest and vital to the welfare of the agricultural economy of the United States to expand and develop markets for agricultural commodities through generic, industry-funded promotion programs;

(2) the programs play a unique role in advancing the demand for agricultural commodities, since the programs increase the total market for a product to the benefit of consumers and all producers;

(3) the programs complement branded advertising initiatives, which are aimed at increasing the market share of individual competitors;

(4) the programs are of particular benefit to small producers, who may lack the resources or market power to advertise on their own;

(5) the programs do not impede the branded advertising efforts of individual firms but instead increase market demand by methods that each individual entity would not have the incentive to employ;

(6) the programs, paid for by the producers who directly reap the benefits of the programs, provide a unique opportunity for agricultural producers to inform consumers about their products;

(7) it is important to ensure that the programs be carried out in an effective and coordinated manner that is designed to strengthen the position of the commodities in the marketplace and to maintain and expand the markets and uses of the commodities; and

(8) independent evaluation of the effectiveness of the programs will assist Congress and the Secretary of Agriculture in ensuring that the objectives of the programs are met.

(b) INDEPENDENT EVALUATIONS.—Except as otherwise provided by law, and at such intervals as the Secretary of Agriculture may determine, but not more frequently than every 3 years or 3 years after the establishment of a program, the Secretary shall require that each industry-funded generic promotion program authorized by Federal law for an agricultural commodity shall provide for an independent evaluation of the program and the effectiveness of the program. The evaluation may include an analysis of benefits, costs, and the efficacy of promotional and research efforts under the program. The evaluation shall be funded from industry assessments and made available to the public.

(c) ADMINISTRATIVE COSTS.—The Secretary shall provide to Congress annually information on administrative expenses on programs referred to in subsection (b).

H.R. 2854

OFFERED BY: MR. DE LA GARZA

AMENDMENT NO. 3: Page 30, strike lines 1 through 9 and insert the following new subparagraphs:

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the years in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, or flaxseed shall be not less than 85 percent of the simple average price received by producers of such oilseed, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the years in which the average price was the highest and the year in which the average price was the lowest in the period.

H.R. 2854

OFFERED BY: MR. DE LA GARZA

AMENDMENT NO. 4: Strike section 109 (page 78, line 8, through page 80, line 15), relating to elimination of permanent price support authority, and insert the following new section:

SEC. 109. SUSPENSION AND REPEAL OF PERMANENT AUTHORITIES.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

(1) IN GENERAL.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of any commodity:

(A) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(B) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(C) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(D) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(E) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj).

(F) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361–1368).

(G) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(H) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(I) Title IV (7 U.S.C. 1401—1407).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(b) AGRICULTURAL ACT OF 1949.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through 2002 crops of any commodity:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1444(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445g).

(G) Section 115 (7 U.S.C. 1445k).

(H) Title III (7 U.S.C. 1447–1449).

(I) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 406, 412, 416, and 427 (7 U.S.C. 1424, 1426, 1429, 1431, and 1433f).

(J) Title V (7 U.S.C. 1461–1469).

(K) Title VI (7 U.S.C. 1471–1471j).

(2) REPEALS.—The following provisions of the Agricultural Act of 1949 are repealed:

(A) Section 103B (7 U.S.C. 1444–2).

(B) Section 108B (7 U.S.C. 1445c–3).

(C) Section 113 (7 U.S.C. 1445h).

(D) Section 114(b) (7 U.S.C. 1445j(b)).

(E) Sections 202, 204, 205, 206, and 207 (7 U.S.C. 1446a, 1446e, 1446f, 1446g, and 1446h).

(F) Section 406 (7 U.S.C. 1426).

(C) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled ''A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calender years 1996 through 2002.

(d) SUSPENSION OF PARITY PRICE PROGRAM FOR MILK.—Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking ''section 204'' and inserting ''section 201 of the Agricultural Market Transition Act''.

H.R. 2854

OFFERED BY: MR. DE LA GARZA

AMENDMENT NO. 5: At the end of title V (page 139, after line 17), add the following new section:

SEC. 507 INVESTMENT FOR AGRICULTURE AND RURAL AMERICA.

Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following:

''(g) Make available $3,500,000,000 for the following purposes:

''(1) Conducting rural development activities pursuant to existing rural development authorities.

''(2) Conducting conservation activities pursuant to existing conservation authorities.

''(3) Conducting research, education, and extension activities pursuant to existing research, education, and extension authorities.''.